

# COPY

## LEASE

THIS LEASE, made and entered into this 1<sup>st</sup> day of September, 2005, by and between RicRiz, LLC. and Power Company, Inc (D B A Crazy Horse Too Gentlemen Club) hereinafter respectively referred to as Landlord and Tenant without regard to number or gender.

### WITNESSETH

1. **DEMISED PREMISES.** The demised premises are situated at 2444 Industrial Road, Las Vegas, Nevada, 89102.
2. **USE.** Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the demised premises for the purpose of operating a business and/or storage as allowed by law.
3. **TERM.** The term of this Lease shall be **Fifteen Years**. Either party may terminate the tenancy upon 30 days written notice to the other party.
4. **RENTAL.** Tenant shall pay to the Landlord as rental for the demised premises the sum of **Twenty Five Thousand Dollars (\$25,000.00) per month**, in advance, on the 1st day of each month in lawful money of The United States at such address as shall be supplied by the Landlord. Any rent not received within ten (10) days of the due date will be subject to a ten (10%) percent penalty charge and, after the tenth (10<sup>th</sup>) day, an additional late fee of \$5.00 per day.
5. **ROOF.** Tenant shall notify Landlord in advance about work done to air conditioning or other equipment on the roof of premises and shall not permit unauthorized persons access thereto.
6. **GENERAL.** As and for a specific consideration for the granting of this Lease, it is agreed that:
  - A. During all hours of operation while the premises shall be open for business, an attendant over twenty-one (21) years of age will be continuously present at all such times.
  - B. Tenant agrees to promptly fixturize the store in a manner comparable to a store of similar nature.
  - C. Tenant agrees to obey all applicable laws, regulations and ordinances applicable to the business conducted upon the premises.
  - D. Tenant agrees to place no coin operated device on the premises which would violate any statute, ordinance or administrative code.

7. **PARKING AND COMMON FACILITIES.** Landlord covenants that the common and parking areas shall be available for the non-exclusive use of Tenant, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all of such common and parking areas shall not constitute a violation of this covenant. Landlord reserves the right to change the entrances, exits, traffic lanes and the boundaries and locations of such parking area or areas. This Lease shall be subordinate to any agreement existing as of the date of this Lease or subsequently placed upon the real property of which the demised premises are a part, which agreement provides for reciprocal easements and restrictions pertaining to the common and parking areas, and in the event of conflict between the provisions of such agreement and this Lease, the provisions of said agreement shall prevail.

- A. Tenant, for the use and benefit of Tenant, its agents, employees, customers, licensees and subtenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants and their agents, employees, customers, licensees and subtenants, to use said common and parking areas during the entire term of this Lease, or any extension thereof, for ingress and egress, roadway, sidewalk and automobile parking, provided however Tenant and Tenant's employees shall park their automobiles in those areas designated for employee parking, or at Landlord's written request shall park their automobiles outside of the shopping center.
- B. The Tenant, in the use of said common and parking areas, agrees to comply with all reasonable rules and regulations that the Landlord may adopt from time to time for the orderly and proper operation of the parking and common areas.
- C. Current parking regulations are as follows:

**RICRIZ, LLC  
PARKING REGULATIONS  
EFFECTIVE AS OF JUNE 1, 2002**

- 1. **No parking of non-operational vehicles.** It is illegal to leave non-operational vehicles, registered or unregistered, on a street or public thoroughfare or, absent consent of Ricriz, LLC, in the common areas. See LVMC § 11.24.010 and § 11.24.020. Such non-operational vehicles will be towed away at the expense of the vehicle owner.
- 2. **No parking in common areas during off-hours.** Parking in common areas, by customers, vendors, or others, are permitted only during operating hours.
- 3. **No parking in fire lanes.** Fire lanes or fire apparatus access roads are designated for authorized emergency vehicles and fire trucks. Unauthorized parking in fire lanes presents a safety problem, constitutes violations of Clark County Code §§ 13.04.140 and 14.40.030 and Las Vegas Municipal Code § 11.10.160.

4. **No parking outside of designated parking areas.** Parking is limited to those areas clearly designated for parking.

8. **USES PROHIBITED.** Tenant shall not use, or permit said premises, or any part thereof, to be used for any purpose other than the purpose or purposes for which said premises are hereby leased. If Tenant uses the property in such a way so as to cause Landlord's insurance rate to increase, Tenant shall be responsible for paying any such increase; nor shall Tenant sell or permit to be kept, used or sold in or about said premises any Article which may be prohibited by standard form of fire insurance policies. Tenant shall not use, store or dispose of any hazardous substances upon the premises, except use and storage of such substances if they are customarily used in Tenant's business, and such use and storage complies with all environmental laws. Hazardous substance means any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property. Tenant shall, at his sole cost, comply with any and all requirements, pertaining to the use of said premises, of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance, covering said building and appurtenances.

9. **ALTERATIONS AND FIXTURES.** Except as provided herein, Tenant shall not make or suffer to be made, any alterations of the demised premises, or any part thereof, without the prior written consent of Landlord, which shall not be unreasonably withheld, and any additions to, or alterations of, said premises, except movable furniture and trade fixtures, shall become at once a part of the realty. Any such alterations shall conform with the requirements of all municipal, state and federal authorities. In the event permission for alterations, additions, or remodeling of the demised premises is granted, and should the Tenant's use, alteration, addition, or remodeling of the demised premises, result in a tax increase for the building of which the demised premises are a part, Tenant shall pay annually any increase tax burden assessed using the tax period of 1998-1999 as the base for all computations.

10. **MAINTENANCE AND REPAIR.** Tenant shall, subject to Landlord's obligations hereinafter provided, at all times during the term hereof, and at Tenant's sole cost and expense, keep, maintain, and repair the building and other improvements upon the demised premises in good and sanitary order and condition (except as hereinafter provided) including without limitation, the maintenance and repair of any store front, doors, window casements, glazing, heating and air conditioning system (if any), plumbing, pipes, electrical wiring and conduits and the portion of the six foot sidewalk in front of, and the thirty foot, more or less, paved area in the rear of, the demised premises. Tenant shall also at its sole cost and expense be responsible for any alterations or improvements to the demised premises necessitated as a result of the requirement of any municipal, state or federal authority. Tenant hereby waives all right to make repairs at the expense of Landlord. By entering into the demised premises Tenant shall be deemed to have accepted the demised premises as being in good and sanitary order, condition and repair and Tenant agrees on the last day of said term or sooner termination of this Lease to surrender the demised premises with appurtenances, in the same condition as when received, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted. Tenant shall periodically sweep and clean the sidewalks adjacent to the demised premises, as needed. In addition, Tenant shall:

A. Tenant agrees to clean daily around the doorway of the premises, both inside and outside, and shall from time to time when required, clean windows and floors.

- B. Store all trash and garbage within the demised premises in containers so located as to not create or permit any health or fire hazard and arrange for the regular removal thereof. No refuse, debris, waste or garbage shall be allowed to accumulate in any open area appurtenant to the demised premises. Tenant shall maintain a contract with Republic (or any other trash removal service licensed and authorized to do business in the City of Las Vegas) for the removal of all trash and garbage on at least a weekly basis.
- C. Refrain from burning any papers, trash or garbage of any kind in or about the demised premises.
- D. Refrain from overloading any floor in the demised premises.
- E. Refrain from using or permitting the use of any portion of the demised premises as living quarters, sleeping apartment, lodging rooms, or for any unlawful purpose.
- F. Refrain from keeping or displaying any merchandise or other object on or otherwise obstructing any sidewalks, walkways or areaways.
- G. Refrain from keeping or permitting the keeping of any animals of any kind in, about or upon the demised premises.
- H. Refrain from distributing any handbills or other advertising matter on or about the sidewalks, streets, passageways or common area within or surrounding the commercial center.
- I. Refrain from using or permitting the sidewalk adjacent to the demised premises to be used for any vending machine, amusement device, scale, newsstand, cigar stand, sidewalk shop or other business, occupancy, or undertaking.
- J. Refrain from parking, operating, loading or unloading any truck or other delivery vehicle on any part of the business center other than that portion thereof from time to time designated by Landlord.
- K. Refrain from using the plumbing facilities for any other purpose other than that for which they were constructed or disposing of any damaging or injurious substance therein.
- L. Tenant shall not commit, or suffer to be committed, any waste upon the demised premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the building in which the demised premises may be located.
- M. Landlord shall, as herein provided, maintain in good repair the exterior sidewalks but shall not be required to make any repairs to said areas unless and until Tenant

has notified Landlord in writing of the need for such repairs Landlord shall have reasonable time to commence and complete.

11. **COMPLIANCE WITH LAWS.** Tenant shall, at his sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of said premises, and shall faithfully observe in said use all municipal ordinances or rules and state and federal statutes now in force or which shall hereinafter be in force, the judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding by or against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such order or statute in said use, shall be conclusive of that fact as between the Landlord and Tenant.

12. **INSURANCE.** Landlord shall maintain fire and extended coverage insurance throughout the term of this Lease in an amount equal to at least ninety (90%) percent of the replacement value of the building which includes the demised premises, together with such other insurance as may be required by Landlord's lender or by any governmental agency. Tenant hereby waives any right of recovery from Landlord, its officers and employees, and Landlord hereby waives any right of recovery from Tenant, its officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement. Tenant agrees to pay to Landlord its pro-rata share of the cost of said insurance to be determined by the relationship that the gross floor area of the demised premises bears to the total gross floor area of the building or buildings for which such policy relates. In addition should the Tenant's use, alteration, or remodeling of the demised premises, result in a rate increase for the building of which the demised premises are a part, Tenant shall pay annually on the anniversary date of this Lease, as additional rent, a sum equal to that of the additional premium occasioned by said rate increase.

13. **INDEMNIFICATION OF LANDLORD - LIABILITY INSURANCE BY TENANT.** Tenant, as a material part of the consideration to be rendered to Landlord under this Lease, hereby waives all claims against Landlord for damage to goods, wares and merchandise, in, upon or about said premises and for injuries to persons in or about said premises, from any causes arising at any time, and Tenant will hold Landlord exempt and harmless from any damage or injury to any person, or the goods, wares, and merchandise of any person, arising from the use of the premises by Tenant, or from the failure of Tenant to keep the premises in good condition and repair, as herein provided.

During the entire term of this Lease, the Tenant shall, at the Tenant's sole cost and expense, but for the mutual benefit of Landlord and Tenant, maintain general public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the demised premises and on any sidewalks directly adjacent to the demised premises. The limitation of liability of such insurance shall be not less than One Hundred Thousand and No/100 (\$100,000.00) Dollars in respect to injury or death of one person and to the limit of not less than Three Hundred Thousand and No/100 (\$300,000.00) Dollars in respect to any one accident and to the limit of not less than Twenty Five Thousand and No/100 (\$25,000.00) Dollars in respect to property damage. All such policies of insurance shall be issued in the name of Tenant and Landlord and for the mutual and joint benefit and protection of the parties, and such policies of insurance or copies thereof shall be delivered to the Landlord.

14. **FREE FROM LIENS.** Tenant shall keep the demised premises and the property in which the demised premises are situated free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant. Tenant shall take all reasonable steps necessary to remove any lien placed upon the property.

15. **ABANDONMENT.** Tenant shall not vacate or abandon the demised premises at any time during the term of this Lease; and if Tenant shall abandon, vacate or surrender the demised premises or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the demised premises shall be deemed to be abandoned, at the option of landlord, except such property as may be mortgaged to Landlord.

16. **SIGNS AND AUCTIONS.** Tenant shall not place or permit to be placed any sign upon the exterior or in the windows of the demised premises without Landlord's prior written consent, nor shall Tenant change the color or exterior appearance of the demised premises without Landlord's prior written consent. Landlord will provide to Tenant an approved sign criteria drawing, which shall be submitted to Landlord for Landlord's written approval. Tenant agrees to install a sign in accordance with the approved sign construction drawing within thirty (30) days after the commencement of the term of this Lease.

Tenant shall not without Landlord's prior written consent display or sell merchandise outside the defined exterior walls and permanent doorways of the demised premises. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the demised premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other solvency proceeding.

17. **UTILITIES.** Tenant shall pay before delinquency all charges for water, gas, heat, electricity, sewer, power, telephone service and all other services of utilities used in, upon, or about the demised premises by Tenant or any of its subtenants, licensees, or concessionaires during the term of this Lease. If any utility is not separately metered Tenant agrees to reimburse Landlord for the cost of said service.

18. **ENTRY AND INSPECTION.** Tenant shall permit Landlord and his agents to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, or for the purpose of posting notices or non-liability for alterations, additions or repairs, or for the purpose of placing upon the property in which the premises are located any usual or ordinary "For Sale" signs. Landlord shall be permitted to do any of the above without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the premises thereby occasioned. Tenant shall permit Landlord, at any time within thirty (30) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "For Lease" signs and during such thirty (30) day period Landlord or his agents may, during normal business hours, enter upon said premises and exhibit same to prospective Tenants.

19. **DAMAGE AND DESTRUCTION OF PREMISES.** In the event of (a) partial destruction of said premises or the building containing same during said term which requires repairs to

either said premises or said building, or (b) said premises or said building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either said premises or said building, Landlord shall forthwith make said repairs provided Tenant gives to Landlord thirty (30) days written notice of the necessity therefor. No such partial destruction (including any destruction necessary in order to make repairs required by any declaration made by any public authority) shall in any way annul or void this Lease except that Tenant shall be entitled to a proportionate reduction of minimum rental while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in said premises.

The foregoing to the contrary notwithstanding, if the building is damaged or destroyed at any time during the term hereof to an extent of more than ninety (90%) percent of its then replacement cost (excluding foundation(s)) as a result of a casualty not insured against, Landlord may within thirty (30) days following the date of such destruction terminate this Lease upon written notice to Tenant. If Landlord does not elect to so terminate because of said uninsured casualty, Landlord shall promptly rebuild and repair said premises and Tenant's rental obligation shall be proportionately reduced as herein above provided.

20. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease, or any interest therein, and shall not sublet the demised premises or any part thereof, or any right or privilege appurtenant thereto, or permit any other person (the agents and servants of Tenant excepted) to occupy or use the demised premises, or any portion thereof, without first obtaining the written consent of Landlord.

The specific assignment, by written consent of the Landlord, to a single subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to an assignment shall not release the original named Tenant from liability for the continued performance of the terms and provisions on the part of Tenant to be kept and performed, unless Landlord specifically releases the original named Tenant from said liability.

Any assignment or subletting without the prior written consent of Landlord shall be void, and shall, at the option of Landlord terminate this Lease. Neither this Lease nor any interest therein shall be assignable, as to the interest of Tenant, by operation of law, without the prior written consent of Landlord.

21. **DEFAULT.** It is agreed that should Tenant be in default in any of the economic terms or conditions of this Lease, then while such default continues, Landlord shall have a lien, and neither the whole nor any part of the furniture, equipment, supplies or other property of Tenant located in the premises shall be removed therefrom, except with the written consent of Landlord first obtained, and Landlord shall have the right and privilege, at his option, to take and retain possession of said furniture, equipment and supplies, to store the same in such place or warehouse as may be selected by Landlord, at the expense and risk of Tenant.

Each of the following shall be deemed an Event of Default:

- A. Default in the payment of rent or other payments hereunder.
- B. Default in the performance or observance of any of the terms and condition of this Lease.
- C. Failure to keep the premises occupied and open for business, except as required for remodeling, refurbishing or repairs.
- D. Abandonment of the premises.
- E. Filing or execution of a petition of bankruptcy by or against Tenant, to the extent said filing causes Tenant to fail to pay rent as due.
- F. Filing of a petition or answer seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, to the extent said filing causes Tenant to fail to pay rent as due.
- G. Adjudication of Tenant as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense, to the extent said adjudication causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- H. An assignment for the benefit of creditors whether by trust mortgage or otherwise, which has not been approved by Landlord; said approval not to be unreasonably withheld.
- I. A petition or other proceeding by or against the Tenant for, or the appointment of, a trustee, receiver, guardian, conservator or liquidator of Tenant with respect to all or substantially all of their property, to the extent said petition causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- J. A petition or other proceeding by or against Tenant for their dissolution or liquidation, or the taking of possession of the property of the Tenant by any governmental authority in connection with dissolution or liquidation, to the extent said petition causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- K. The taking by any person of the leasehold created thereby or any part thereof upon execution, attachment or other process of law or equity.

22. **DEFAULT REMEDIES.** In the event of default by Tenant, Landlord's remedies shall be as follows, to-wit:

- A. Termination of Lease, Upon occurrence of any Event of Default, Landlord may, at his option, give Notice to Tenant that this Lease shall terminate upon the date specified in the notice, which date shall not be earlier than five (5) days after the giving of such notice, in addition to any other remedy or right given hereunder or by law.
- B. Immediately or at any time after the occurrence of such Event of Default, and without notice or demand, enter upon the demised premises or any part thereof in the name of the whole, and upon the date specified in such notice, or in any other notice pursuant to law, or upon such entry, this Lease and the terms thereof shall terminate.

In the event of Tenant's breach of any of the Articles or conditions contained in this agreement, the Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the rent herein provided, but additional rent at the rate of one-thirtieth (1/30) of the minimum monthly rent herein provided for each and every day that the Tenant shall fail to conduct its business as herein provided said additional rent shall be deemed to be in lieu of any percentage rent that might have been earned during such period of the Tenant's failure to conduct its business as herein provided.

23. **REPOSSESSION.** Upon termination of this Lease as herein above provided, or pursuant to statute, or by summary proceedings or otherwise, Landlord may enter forthwith without further demand or notice upon any part of the premises in the name of the whole, if he has not therefore done so, and resume possession either by summary proceedings, or by action at law or in equity or by force or otherwise, as Landlord may determine, without being liable in trespass or for any damages. In no event shall such reentry or resumption of possession or reletting as hereafter provided be deemed to be an acceptance or surrender of this Lease or a waiver of the rights or remedies of Landlord hereunder.

24. **RELETTING.** Upon termination of this Lease in any manner above provided, Landlord shall use reasonable efforts to relet the premises. Landlord shall be deemed to use reasonable efforts if he leases the whole or any part of the premises, separately or with other premises, for any period equal to or less than, or extending beyond, the remainder of the original term, for any sum or to any tenant or for any use it deems reasonably satisfactory or appropriate, and refusal to let to any person or for any use Landlord deems objectionable, or for any use not expressly permitted under Section 5 of this Lease.

25. **DAMAGES.** Upon termination of this Lease in any manner above provided, or by summary proceedings or otherwise, Tenant shall pay to Landlord forthwith without demand or notice the sum of the following:

- A. All rent, additional rent and other payments accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs.
- B. The cost of making all repairs, and alterations required to be made by Tenant hereunder, and of performing all covenants of Tenant relating to the condition of

the premises during the term and upon expiration or sooner termination of this Lease, such cost to be deemed prima facie to be the cost estimated by a reputable architect or contractor selected by Landlord or the amounts actually expended or incurred thereafter by Landlord.

C. An amount equal to "liquidation damages".

"Liquidation Damages" mean an amount equal to the excess of the rent, additional rent and other payments reserved in this Lease, for the portion of the term remaining after termination of the Lease (hereinafter referred to as the "unexpired term") over the then fair and reasonable rental value of the premises for such period of the term.

D. Cost of obtaining possession of the premises.

E. Removal and storage of Tenant's or other occupant's property.

F. Care, maintenance and repair of the premises while vacant.

G. Reletting the whole or any part of the premises (which relating may be for a period of periods of time less than the unexpired term hereof or extending beyond the term thereof.

H. The cost of restoring the premises to a rentable condition.

Such costs and expenses shall be deemed prima facie to be the amounts thereof invoiced to Landlord or actually expended or incurred therefor by Landlord.

26. **SURRENDER OF LEASE.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to him or any or all of such subleases or subtenancies.

27. **SALE OF PREMISES BY LANDLORD.** In the event of any sale of the demised premises by Landlord, purchaser shall be bound by all the terms and conditions of this Lease.

28. **HOURS OF BUSINESS.** Subject to the provisions of Article 22 hereof, Tenant shall continuously during the entire term hereof conduct and carry on Tenant's business in the demised premises and shall keep the demised premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses in the city in which the demised premises are located to be open for business; provided, however, that this provision shall not apply if the demised premises should be closed and the business of Tenant temporarily discontinued therein on account of remodeling, refurbishing, repair, strikes, lockouts or similar causes beyond the reasonable control of Tenant or closed for not more than three (3) days out of respect to the memory of any deceased officer or employee of Tenant, or the relative of such officer or employee. Tenant

shall keep the demised premises adequately stocked with merchandise, and with sufficient sales personnel to care for the patronage, and to conduct said business in accordance with sound business practices.

29. **ATTORNEY'S FEES.** If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the demised premises by reason of any act or omission of Tenant, then, Tenant shall hold harmless landlord from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by Landlord in such litigation.

If either Landlord or Tenant shall commence any legal proceedings against the other with respect to any of the terms and conditions of this Lease, the non-prevailing party therein shall pay to the other all expenses of said litigation, including a reasonable attorney's fee as may be fixed by the court having jurisdiction over the matter. The parties hereto agree that the State of Nevada is the proper jurisdiction for litigation of any matters relating to this Lease and service may be effectuated in any manner allowed by law.

30. **HOLDING OVER.** Any holding over after the expiration of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month to month, cancelable upon thirty (30) days written notice, and at a rental and upon terms and conditions as existed during the last year of the term hereof.

31. **NOTICE.** Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified mail, addressed as follows:

Landlord:

RICRIZ, LLC.  
2476 Industrial Road  
Las Vegas, Nevada 89102

Tenant:

Power Co Inc  
2476 Industrial Road  
Las Vegas, Nevada 89102

Either party may change such address by written notice by certified mail to the other.

32. **SUCCESSORS IN INTEREST.** The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

33. **TENANT'S PERFORMANCE.** In the event Tenant shall fail within any time limits which may be provided herein to complete any work or perform any other requirements provided to be performed by Tenant prior to the commencement of the term hereof, or in the event Tenant shall cause a delay in the completion of any work, Landlord may send Tenant written notice of said default and if said default is not corrected within ten (10) days thereafter, Landlord may by written notice prior to the curing of said default terminate this Lease. Landlord shall be entitled to retain as liquidated damages all deposits

made hereunder and such improvements as Tenant may have annexed to the realty that cannot be removed without damage thereto.

34. **FORCE MAJEURE.** If either party hereto shall be delayed or prevented from the performance of any act hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Article 38 contained shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder except as may be expressly provided elsewhere in this Lease.

35. **PARTIAL INVALIDITY.** If any term, covenant, condition of provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereof.

36. **MARGINAL CAPTIONS.** The various headings and numbers herein and the grouping of the provisions of this Lease into separate Articles and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

37. **TIME.** Time is of the essence of this Lease.

38. **SUBORDINATION, ATTORNMENT.** This Lease, at Landlord's option, shall be subordinate to the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the demised premises are a part, and to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, that as to the lien of any such deed of trust or mortgage Tenant's right to quiet possession of the premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the demised premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

Within ten (10) days after request therefor by Landlord, or in the event that upon any sale, assignment, or hypothecation of the demised premises or the land thereunder by Landlord, an estoppel certificate and/or financial statement shall be requested of Tenant, Tenant agrees to deliver such financial statement, and to deliver such estoppel certificate (in recordable form) addressed to any such proposed mortgagee or purchaser or to the landlord certifying the requested information, including among other things the dates of commencement and termination of this Lease, the amounts of security deposits, and that this Lease is in full force and effect (if such be the case) and that there are no differences, offsets or defaults of Landlord, or noting such differences, offsets or defaults as actually exist. Tenant shall be liable

for any loss or liability resulting from any incorrect information certified, and such mortgagee and purchaser shall have the right to rely on such estoppel certificate and financial statement.

39. **CONDEMNATION.** If the event of a condemnation or a transfer in lieu thereof twenty (20%) percent or more of the demised premises is taken, or in the event as a result of such taking or transfer in lieu thereof Landlord is unable to provide the parking required by Article 10 hereof, Landlord or Tenant may, upon written notice given within thirty (30) days after such taking or transfer in lieu thereof, terminate this Lease. Tenant shall not be entitled to share in any portion of the award and Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall, however, have the right to claim and recover, only from the condemning authority (but not from Landlord) any amounts necessary to reimburse Tenant for the cost of removing stock and fixtures, moving the business, loss of business, et cetera.

40. **NO ORAL AGREEMENTS.** This Lease cover in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein and there are no oral agreements or implied covenants.

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41. **HOLD HARMLESS.** Tenant agrees that Landlord shall in no event be liable in damages or otherwise to Tenant for any acts, conduct, negligence or carelessness, of any other tenant or tenants occupying other portions of the building within which the demised premises are located, and in this connection, Tenant specifically releases Landlord of and from all and any damages which Tenant may sustain by reason of the acts, conduct, negligence or carelessness of other occupants of said building or adjoining buildings wherein the demised premises are located.

IN WITNESS WHEREOF, the parties have duly executed this Lease together with the herein referred to Exhibits which are attached hereto, on the day and year first above written.

TENANT:

Power Co. Inc. Dba Crazy Horse Too Gentlemens Club

By: \_\_\_\_\_

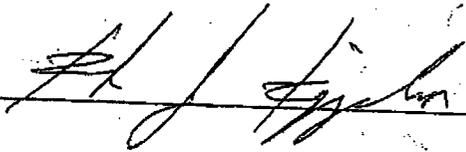


Owner

LANDLORD:

RICRIZ, LLC.

By: \_\_\_\_\_



Property Manager

**OPERATING SUBLEASE**

19 THIS OPERATING SUBLEASE ("Lease") is made and entered into this day of September, 2006, by and between THE POWER COMPANY, Inc, a Nevada corporation, and Nevada Receivership, LLC, a Nevada limited liability company, hereinafter respectively referred to as Landlord and Tenant without regard to number or gender.

**WITNESSETH**

1. **LEASED PROPERTY.** The Leased hereunder includes the premises situated at 2476 Industrial Road, Las Vegas, Nevada, 89102 (the "Premises") together with operating assets and business of Landlord which are part of the business of Landlord operated under the name Crazy Horse Too (the "Business"). As used herein, the Business includes all furniture, fixtures and equipment, leasehold improvements, contracts inventory and cash on hand totaling \$250,000. Tenant accepts the Business and the Premises in their condition as of the execution of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Property or the suitability of the Property for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection of and inquiry regarding the condition of the Property and is not relying on any representations of Landlord or any Broker with respect thereto.

2. **USE.** Landlord hereby subleases Premises and leases the Business to Tenant and Tenant hereby hires from Landlord the Premises and the Business for the purpose of operating a gentleman's club with liquor license as allowed by law and subject to the provisions hereof. Tenant acknowledges that the Business has not been operating since on or about September and that, upon issuance to Tenant of a tavern license or temporary tavern license, Tenant shall immediately reopen the Business and keep and maintain the Business open and operating during the term of this Lease.

3. **TERM.** The term of this Sublease shall be one year subject the early termination provisions herein.

4. **RENTAL.** Tenant shall pay to the Landlord as rental for the demised premises the sum of Four Hundred Thousand Dollars (\$400,000) per month, in advance, on the 1st day of each month in lawful money of The United States at such address as shall be supplied by the Landlord. Any rent not received within ten (10) days of the due date will be subject to late fee equal to Eight Thousand Dollars (\$8,000) and, after the tenth (10<sup>th</sup>) day, an additional late fee of One Thousand Dollars (\$1,000) per day. Should the tenancy commence subsequent to the first day of any month, such rents will be prorated, with a pro-rata reduction based upon the remaining full days left in that month.

Submitted at City Council

Date 10/4/06 Item 46

5. **SECURITY DEPOSIT.** Upon the execution of this Lease, Tenant shall deposit with Landlord a cash Security Deposit in the amount of \$ \_\_\_\_\_ Landlord may apply all or part of the Security Deposit to any unpaid rent or other charges due from Tenant or to cure any other defaults of Tenant. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord's written request. Tenant's failure to do so shall be a material default under this Lease. No interest shall be paid on the Security Deposit. Landlord shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit.

6. **Personal Property Taxes.** Tenant shall pay all taxes charged against the assets of the business, including but not limited to leasehold improvements, trade fixtures, furnishings, equipment, inventory or any other personal property leased hereunder or belonging to Tenant.

7. **Interest on Past Due Obligations.** Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of fifteen percent (15%) per annum from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. In the event any amount is past due, Landlord shall have the right to apply any payments made first to late charges and fees until the same shall be paid in full and thereafter to other amounts due hereunder. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law. Any payments, of any kind, to or for the benefit of creditors of the Landlord shall be credited against monthly lease payments.

8. **WORK DONE TO PREMISES.** Tenant shall notify Landlord in advance about repair construction, alterations or remodeling done to the Premises, including but not any work done to air conditioning or other equipment on the roof of premises, and shall not perform any such work without the written consent of Landlord which consent shall not be unreasonably withheld.

9. **GENERAL.** As and for a specific consideration for the granting of this Lease, it is agreed that:

- A. During all hours of operation while the Premises shall be open for business, an attendant over twenty-one (21) years of age will be continuously present at all such times.
- B. Tenant agrees to obey all applicable laws, regulations and ordinances applicable to the business conducted upon the premises.

- C. Tenant agrees to place no coin operated device on the premises which would violate any statute, ordinance or administrative code.

10. **PARKING AND COMMON FACILITIES.** Landlord covenants that the common and parking areas ("Common Areas") of the real property of which the Premises are a part (the "Center") shall be available for the non-exclusive use of Tenant, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all of such common and parking areas shall not constitute a violation of this covenant. Landlord reserves the right to change the entrances, exits, traffic lanes and the boundaries and locations of such parking area or areas. This Lease shall be subordinate to any agreement existing as of the date of this Lease or subsequently placed upon the real property of which the demised premises are a part, which agreement provides for reciprocal easements and restrictions pertaining to the common and parking areas, and in the event of conflict between the provisions of such agreement and this Lease, the provisions of said agreement shall prevail.

- A. Tenant, for the use and benefit of Tenant, its agents, employees, customers, licensees and subtenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants of the Center and their agents, employees, customers, licensees and subtenants, to use the Common Areas during the entire term of this Lease, or any extension thereof, for ingress and egress, roadway, sidewalk and automobile parking, provided however Tenant and Tenant's employees shall park their automobiles in those areas designated for employee parking, or at the written request of the owner of the Center ("Owner") shall park their automobiles outside of the shopping center.
- B. The Tenant, in the use of said Common Areas, agrees to comply with all reasonable rules and regulations that the Owner may adopt from time to time for the orderly and proper operation of the Common Areas.
- C. Current parking regulations are as follows:

**PARKING REGULATIONS  
EFFECTIVE AS OF JUNE 1, 2002**

1. **No parking of non-operational vehicles.** It is illegal to leave non-operational vehicles, registered or unregistered, on a street or public thoroughfare or, absent consent of Owner, in the common areas. See LVMC § 11.24.010 and § 11.24.020. Such non-operational vehicles will be towed away at the expense of the vehicle owner.

2. **No parking in common areas during off-hours.** Parking in common areas, by customers, vendors, or others, are permitted only during operating hours.

3. **No parking in fire lanes.** Fire lanes or fire apparatus access roads are designated for authorized emergency vehicles and fire trucks. Unauthorized parking in fire lanes presents a safety problem, constitutes violations of Clark County Code §§ 13.04.140 and 14.40.030 and Las Vegas Municipal Code § 11.10.160.

4. **No parking outside of designated parking areas.** Parking is limited to those areas clearly designated for parking.

11. **USES PROHIBITED.** Tenant shall not use, or permit said premises, or any part thereof, to be used for any purpose other than the purpose or purposes for which said premises are hereby leased. If Tenant uses the property in such a way so as to cause Owner's insurance rate to increase, Tenant shall be responsible for paying any such increase; nor shall Tenant sell or permit to be kept, used or sold in or about the Premises any property which may be prohibited by standard form of fire insurance policies. Tenant shall not use, store or dispose of any hazardous substances upon the premises, except use and storage of such substances if they are customarily used in Tenant's business, and such use and storage complies with all environmental laws. Hazardous substance means any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property. Tenant shall, at his sole cost, comply with any and all requirements, pertaining to the use of said premises, of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance, covering said building and appurtenances.

12. **ALTERATIONS AND FIXTURES.** Except as provided herein, Tenant shall not make or suffer to be made, any alterations of the demised premises, or any part thereof, without the prior written consent of Landlord, which shall not be unreasonably withheld, and any additions to, or alterations of, said premises, except movable furniture and trade fixtures, shall become at once a part of the realty. Any such alterations shall conform with the requirements of all municipal, state and federal authorities. In the event permission for alterations, additions, or remodeling of the demised premises is granted, and should the Tenant's use, alteration, addition, or remodeling of the demised premises, result in a tax increase for the building of which the demised premises are a part, Tenant shall pay annually any increase tax burden assessed using the tax period of 1998-1999 as the base for all computations.

13. **MAINTENANCE AND REPAIR.** Tenant shall, subject to Landlord's obligations hereinafter provided, at all times during the term hereof, and at Tenant's sole cost and expense, keep, maintain, and repair the building and other improvements upon the demised premises in good and sanitary order and condition (except as hereinafter provided) including without limitation, the maintenance and repair of any store front,

doors, window casements, glazing, heating and air conditioning system (if any), plumbing, pipes, electrical wiring and conduits and the portion of the six foot sidewalk in front of, and the thirty foot, more or less, paved area in the rear of, the demised premises. Tenant shall also at its sole cost and expense be responsible for any alterations or improvements to the demised premises necessitated as a result of the requirement of any municipal, state or federal authority. Tenant hereby waives all right to make repairs at the expense of Landlord. By entering into the demised premises Tenant shall be deemed to have accepted the demised premises as being in good and sanitary order, condition and repair and Tenant agrees on the last day of said term or sooner termination of this Lease to surrender the demised premises with appurtenances, in the same condition as when received, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted. Tenant shall periodically sweep and clean the sidewalks adjacent to the demised premises, as needed. In addition, Tenant shall:

- A. Tenant agrees to clean daily around the doorway of the premises, both inside and outside, and shall from time to time when required, clean windows and floors.
- B. Store all trash and garbage within the demised premises in containers so located as to not create or permit any health or fire hazard and arrange for the regular removal thereof. No refuse, debris, waste or garbage shall be allowed to accumulate in any open area appurtenant to the demised premises. Tenant shall maintain a contract with Republic (or any other trash removal service licenced and authorized to do business in the City of Las Vegas) for the removal of all trash and garbage on at least a weekly basis.
- C. Refrain from burning any papers, trash or garbage of any kind in or about the demised premises.
- D. Refrain from overloading any floor in the demised premises.
- E. Refrain from using or permitting the use of any portion of the demised premises as living quarters, sleeping apartment, lodging rooms, or for any unlawful purpose.
- F. Refrain from keeping or displaying any merchandise or other object on or otherwise obstructing any sidewalks, walkways or areaways.
- G. Refrain from keeping or permitting the keeping of any animals of any kind in, about or upon the demised premises.

- H. Refrain from distributing any handbills or other advertising matter on or about the sidewalks, streets, passageways or common area within or surrounding the commercial center.
- I. Refrain from using or permitting the sidewalk adjacent to the demised premises to be used for any vending machine, amusement device, scale, newsstand, cigar stand, sidewalk shop or other business, occupancy, or undertaking.
- J. Refrain from parking, operating, loading or unloading any truck or other delivery vehicle on any part of the business center other than that portion there of from time to time designated by Landlord.
- K. Refrain from using the plumbing facilities for any other purpose other than that for which they were constructed or disposing of any damaging or injurious substance therein.
- L. Tenant shall not commit, or suffer to be committed, any waste upon the demised premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the building in which the demised premises may be located.
- M. Landlord shall, as herein provided, maintain in good repair the exterior sidewalks but shall not be required to make any repairs to said areas unless and until Tenant has notified Landlord in writing of the need for such repairs Landlord shall have reasonable time to commence and complete.

**14. Condition upon Termination.** Upon the termination of the Lease, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. All assets used in the Business and leased hereunder and all reserves, replacements or additions thereto, including but not limited intangibles, goodwill, customer lists, inventory not less than \$200,000 and cash on hand of \$250,000 shall be returned to Landlord or shall become, as the case may be, the property of the Landlord, free and clear of any liens created by or in favor of Tenant. In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) prior to the expiration of the Lease and to restore the Property to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease, except that Tenant may remove any of Tenant's

machinery or equipment which can be removed without material damage to the Property. Tenant shall repair, at Tenant's expense, any damage to the Property caused by the removal of any such machinery or equipment. In no event, however, shall Tenant remove any of the following materials or equipment (which shall be deemed Landlord's property) without Landlord's prior written consent: any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment and decorations.

15. **COMPLIANCE WITH LAWS:** Tenant shall, at his sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of said premises, and shall faithfully observe in said use all municipal ordinances or rules and state and federal statutes now in force or which shall hereinafter be in force, the judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding by or against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such order or statute in said use, shall be conclusive of that fact as between the Landlord and Tenant.

16. **INSURANCE.** (a) Landlord shall maintain fire and extended coverage insurance throughout the term of this Lease in an amount equal to at least ninety (90%) percent of the replacement value of the building which includes the demised premises, together with such other insurance as may be required by Landlord's lender or by any governmental agency. Tenant hereby waives any right of recovery from Landlord, its officers and employees, and Landlord hereby waives any right of recovery from Tenant, its officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement. Tenant agrees to pay to Landlord its pro-rata share of the cost of said insurance to be determined by the relationship that the gross floor area of the demised premises bears to the total gross floor area of the building or buildings for which such policy relates. In addition should the Tenant's use, alteration, or remodeling of the demised premises, result in a rate increase for the building of which the demised premises are a part, Tenant shall pay annually on the anniversary date of this Lease, as additional rent, a sum equal to that of the additional premium occasioned by said rate increase.

(b) During the Lease Term, Tenant shall obtain insurance for for all assets which are a part of the Business, including, leasehold improvement, furniture, fixtures or equipment and inventory or building improvements installed by Tenant on the Property. During the Lease Term, Tenant shall also maintain a rental income insurance policy, with loss payable to Landlord, in an amount equal to one year's Base Rent, plus estimated real property taxes and insurance premiums. Tenant shall be liable for the payment of any deductible amount under Tenant's insurance policies maintained. Tenant shall not do or permit anything to be done which invalidates any such insurance policies.

(c) Tenant shall pay all premiums for the insurance policies described here (whether obtained by Landlord or Tenant) within fifteen (15) days after Tenant's receipt of a copy of the premium statement or other evidence of the amount due, except Landlord shall pay all premiums for non-primary comprehensive public liability insurance which Landlord elects to. If insurance policies maintained by Landlord cover improvements on the Center, Landlord shall deliver to Tenant a statement of the premium applicable to the Property showing in reasonable detail how Tenant's share of the premium was computed. If the Lease Term expires before the expiration of an insurance policy maintained by Landlord, Tenant shall be liable for Tenant's prorated share of the insurance premiums.

(d) General Insurance Provisions.

(i) Any insurance which Tenant is required to maintain under this Lease shall include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days written notice prior to any cancellation or modification of such coverage.

(ii) If Tenant fails to deliver any policy, certificate or renewal to Landlord required under this Lease within the prescribed time period or if any such policy is cancelled or modified during the Lease Term without Landlord's consent, Landlord may obtain such insurance, in which case Tenant shall reimburse Landlord for the cost of such insurance within fifteen (15) days after receipt of a statement that indicates the cost of such insurance.

(iii) Tenant shall maintain all insurance required under this Lease with companies holding a "General Policy Rating" of A-12 or better, as set forth in the most current issue of "Best Key Rating Guide". Landlord and Tenant acknowledge the insurance markets are rapidly changing and that insurance in the form and amounts described herein may not be available in the future. Tenant acknowledges that the insurance described herein is for the primary benefit of Landlord. If at any time during the Lease Term, Tenant is unable to maintain the insurance required under the Lease, Tenant shall nevertheless maintain insurance coverage which is customary and commercially reasonable in the insurance industry for Tenant's type of business, as that coverage may change from time to time. Landlord makes no representation as to the adequacy of such insurance to protect Landlord's or Tenant's interests. Therefore, Tenant shall obtain any such additional property or liability insurance which Tenant deems necessary to protect Landlord and Tenant.

(iv) Unless prohibited under any applicable insurance policies maintained, Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Upon obtaining the required policies of insurance, Landlord and Tenant shall give notice to the insurance carriers of this mutual waiver of subrogation.

17. **INDEMNIFICATION OF LANDLORD - LIABILITY INSURANCE BY TENANT.** Tenant, as a material part of the consideration to be rendered to Landlord under this Lease, hereby waives all claims against Landlord and Owner for damage to goods, wares and merchandise, in, upon or about said premises and for injuries to persons in or about said premises, from any causes arising at any time, and Tenant will hold Landlord and Owner exempt and harmless from any damage or injury to any person, or the goods, wares, and merchandise of any person, arising from the use of the premises by Tenant, or from the failure of Tenant to keep the premises in good condition and repair, as herein provided.

During the entire term of this Lease, the Tenant shall, at the Tenant's sole cost and expense, but for the mutual benefit of Landlord, Owner and Tenant, maintain general public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the demised premises and on any sidewalks directly adjacent to the demised premises. The limitation of liability of such insurance shall be not less than One Million and No/100 (\$1,000,000.00) Dollars in respect to injury or death of one person and to the limit of not less than Three Million and No/100 (\$3,000,000.00) Dollars in respect to any one accident and to the limit of not less than Two Hundred Fifty Thousand and No/100 (\$250,000.00) Dollars in respect to property damage. All such policies of insurance shall be issued in the name of Tenant, Landlord and Owner and for the mutual and joint benefit and protection of the parties, and such policies of insurance or copies thereof shall be delivered to the Landlord and Owner.

18. **FREE FROM LIENS.** Tenant shall keep the demised premises and the property in which the demised premises are situated free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant. Tenant shall take all reasonable steps necessary to remove any lien placed upon the property.

19. **ABANDONMENT.** Tenant shall not vacate or abandon the demised premises at any time during the term of this Lease; and if Tenant shall abandon, vacate or surrender the demised premises or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the demised premises shall be deemed to be abandoned, at the option of landlord, except such property as may be mortgaged to Landlord.

20. **SIGNS AND AUCTIONS.** Tenant shall not place or permit to be placed any sign upon the exterior or in the windows of the demised premises without Landlord's prior written consent, nor shall Tenant change the color or exterior appearance of the demised premises without Landlord's prior written consent. Landlord will provide to Tenant an approved sign criteria drawing, which shall be submitted to Landlord for Landlord's written approval. Tenant agrees to install a sign in accordance with the approved sign construction drawing within thirty (30) days after the commencement of the term of this Lease.

Tenant shall not without Landlord's prior written consent display or sell merchandise outside the defined exterior walls and permanent doorways of the demised premises. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the demised premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other solvency proceeding.

21. **UTILITIES.** Tenant shall pay before delinquency all charges for water, gas, heat, electricity, sewer, power, telephone service and all other services of utilities used in, upon, or about the demised premises by Tenant or any of its subtenants, licensees, or concessionaires during the term of this Lease. If any utility is not separately metered Tenant agrees to reimburse Landlord for the cost of said service.

22. **ENTRY AND INSPECTION.** Tenant shall permit Landlord, Owner and their agents to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, or for the purpose of posting notices or non-liability for alterations, additions or repairs, or for the purpose of placing upon the property in which the premises are located any usual or ordinary "For Sale" signs. Landlord shall be permitted to do any of the above without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the premises thereby occasioned. Tenant shall permit Landlord, at any time within thirty (30) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "For Lease" signs and during such thirty (30) day period Landlord or his agents may, during normal business hours, enter upon said premises and exhibit same to prospective Tenants.

23. **DAMAGE AND DESTRUCTION OF PREMISES.** In the event of (a) partial destruction of said premises or the building containing same during said term which requires repairs to either said premises or said building, or (b) said premises or said building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either said premises or said building, Landlord shall forthwith make said repairs provided Tenant gives to Landlord thirty (30) days written notice of the necessity therefor. No such partial destruction (including any destruction necessary in order to make repairs required by any declaration made by any public authority) shall in any way annul or void this Lease except that Tenant shall be entitled to a proportionate reduction of minimum rental while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in said premises.

The foregoing to the contrary notwithstanding, if the building is damaged or destroyed at any time during the term hereof to an extent of more than twenty-five (25%) percent of its then replacement cost (excluding foundation(s)) as a result of a casualty not insured against, Landlord may within thirty (30) days following the date of such destruction terminate this Lease upon written notice to Tenant. For purposes of the preceding, any casualty which is only partially insured due to limits on insurance, exclusions from coverage or deductible shall be deemed a casualty not insured against. If Landlord does not elect to so terminate because of said uninsured casualty, Landlord shall promptly rebuild and repair said premises and Tenant's rental obligation shall be proportionately reduced as herein above provided.

**24. ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease, or any interest therein, and shall not sublet the demised premises or any part thereof, or any right or privilege appurtenant thereto, or permit any other person (the agents and servants of Tenant excepted) to occupy or use the demised premises, or any portion thereof, without first obtaining the written consent of Landlord.

The specific assignment, by written consent of the Landlord, to a single subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to an assignment shall not release the original named Tenant from liability for the continued performance of the terms and provisions on the part of Tenant to be kept and performed, unless Landlord specifically releases the original named Tenant from said liability.

Any assignment or subletting without the prior written consent of Landlord shall be void, and shall, at the option of Landlord terminate this Lease. Neither this Lease nor any interest therein shall be assignable, as to the interest of Tenant, by operation of law, without the prior written consent of Landlord.

**25. DEFAULT.** It is agreed that should Tenant be in default in any of the economic terms or conditions of this Lease, then while such default continues, Landlord shall have a lien, and neither the whole nor any part of the furniture, equipment, supplies or other property of Tenant located in the premises shall be removed therefrom, except with the written consent of Landlord first obtained, and Landlord shall have the right and privilege, at his option, to take and retain possession of said furniture, equipment and supplies, to store the same in such place or warehouse as may be selected by Landlord, at the expense and risk of Tenant.

Each of the following shall be deemed an Event of Default:

- A. Default in the payment of rent or other payments hereunder.
- B. Default in the performance or observance of any of the terms and condition of this Lease.

- C. Failure to keep the premises occupied and open for business on a 24 hour per day, seven day per week basis, except as required for remodeling, refurbishing or repairs.
- D. Abandonment of the premises.
- E. Filing or execution of a petition of bankruptcy by or against Tenant, to the extent said filing causes Tenant to fail to pay rent as due.
- F. Filing of a petition or answer seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, to the extent said filing causes Tenant to fail to pay rent as due.
- G. Adjudication of Tenant as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense, to the extent said adjudication causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- H. An assignment for the benefit of creditors whether by trust mortgage or otherwise, which has not been approved by Landlord; said approval not to be unreasonably withheld.
- I. A petition or other proceeding by or against the Tenant for, or the appointment of, a trustee, receiver, guardian, conservator or liquidator of Tenant with respect to all or substantially all of their property, to the extent said petition causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- J. A petition or other proceeding by or against Tenant for their dissolution or liquidation, or the taking of possession of the property of the Tenant by any governmental authority in connection with dissolution or liquidation, to the extent said petition causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- K. The taking by any person of the leasehold created thereby or any part thereof upon execution, attachment or other process of law or equity.

26. **DEFAULT REMEDIES.** Upon occurrence of any Event of Default, Landlord may, at his option, give Notice to Tenant that this Lease shall terminate upon the date specified in the notice, which date shall not be earlier than five (5) days after the giving of such notice, in addition to any other remedy or right given hereunder or by law.

In the event of Tenant's breach of any of the Articles or conditions contained in this agreement, the Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the rent herein provided, but additional rent at the rate of one-thirtieth (1/30) of the minimum monthly rent herein provided for each and every day that the Tenant shall fail to conduct its business as herein provided said additional rent shall be deemed to be in lieu of any percentage rent that might have been earned during such period of the Tenant's failure to conduct its business as herein provided.

27. **REPOSSESSION.** Upon termination of this Lease as herein above provided, or pursuant to statute, or by summary proceedings or otherwise, Landlord may enter forthwith without further demand or notice upon any part of the premises in the name of the whole, if he has not therefore done so, and resume possession either by summary proceedings, or by action at law or in equity or by force or otherwise, as Landlord may determine, without being liable in trespass or for any damages. In no event shall such reentry or resumption of possession or reletting as hereafter provided be deemed to be an acceptance or surrender of this Lease or a waiver of the rights or remedies of Landlord hereunder.

28. **RELETTING.** Upon termination of this Lease in any manner above provided, Landlord shall use reasonable efforts to relet the premises. Landlord shall be deemed to use reasonable efforts if he leases the whole or any part of the premises, separately or with other premises, for any period equal to or less than, or extending beyond, the remainder of the original term, for any sum or to any tenant or for any use it deems reasonably satisfactory or appropriate, and refusal to let to any person or for any use Landlord deems objectionable, or for any use not expressly permitted under Section 5 of this Lease.

29. **DAMAGES.** Upon termination of this Lease in any manner above provided, or by summary proceedings or otherwise, Tenant shall pay to Landlord forthwith without demand or notice the sum of the following:

- A. All rent, additional rent and other payments accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs.
- B. The cost of making all repairs, and alterations required to be made by Tenant hereunder, and of performing all covenants of Tenant relating to the condition of the premises during the term and upon

expiration or sooner termination of this Lease, such cost to be deemed prima facie to be the cost estimated by a reputable architect or contractor selected by Landlord or the amounts actually expended or incurred thereafter by Landlord.

C. An amount equal to "liquidation damages".

"Liquidation Damages" mean an amount equal to the excess of the rent, additional rent and other payments reserved in this Lease, for the portion of the term remaining after termination of the Lease (hereinafter referred to as the "unexpired term") over the then fair and reasonable rental value of the premises for such period of the term.

D. Cost of obtaining possession of the premises.

E. Removal and storage of Tenant's or other occupant's property.

F. Care, maintenance and repair of the premises while vacant.

G. Reletting the whole or any part of the premises (which relating may be for a period of periods of time less than the unexpired term hereof or extending beyond the term thereof.

H. The cost of restoring the premises to a rentable condition.

Such costs and expenses shall be deemed prima facie to be the amounts thereof invoiced to Landlord or actually expended or incurred therefor by Landlord.

30. **SURRENDER OF LEASE.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to him or any or all of such subleases or subtenancies.

31. **SALE OF PREMISES BY LANDLORD.** In the event of any sale of the Premises by Owner and/or a sale by Landlord of the Business, purchaser shall be bound by all the terms and conditions of this Lease except that any such purchaser shall have the right, upon 30 days written notice, to terminate this Lease.

32. **HOURS OF BUSINESS.** Subject to the provisions of Article 22 hereof, Tenant shall continuously during the entire term hereof conduct and carry on the Business in the Premises and shall keep the Premises open for business and cause the Business to be conducted therein to be open and operating on a 24 hour 7 day per week basis;

provided, however, that this provision shall not apply if the demised premises should be closed and the business of Tenant temporarily discontinued therein on account of remodeling, refurbishing, repair, strikes, lockouts or similar causes beyond the reasonable control of Tenant.

33. **ESTOPPEL CERTIFICATES.** (a) Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to Tenant or the Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Property may require. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Landlord may give any such statement by Tenant to any prospective purchaser or encumbrancer of the Property. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

(b) If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts

34. **OPERATION OF BUSINESS.** Tenant shall, at its sole cost and expense, use its best efforts to obtain the required licenses to re-open the Business as soon as practicable in the circumstances. Upon obtaining such licenses and re-opening the Business, Tenant shall operate the Business as provided herein, in substantially the same manner as the Business was being operated on the date it was closed and in accordance with all local, state and federal laws and regulations applicable thereto. Unless prohibited by any such law or regulation, Tenant shall assume all contracts of Landlord with all third party contractors and employees in connection with the operation of the Business. Subject to requirements for a Work Card, TAM Card and Health Card, Tenant shall hire and retain all management personnel of Landlord employed in connection with the operation of the Business, at the same compensation paid by Landlord, and shall not terminate any such employee except with the consent of Landlord, which consent shall not be unreasonably withheld. Landlord, through its designated representatives, shall have unlimited access to the Premises. Notwithstanding any provision herein, and Mr. Rick Rizzolo shall retain complete access to his office and the use of all office equipment located therein and in the executive offices.

35. **FEDERAL ACCESS.** Tenant acknowledges that the federal government has certain rights of access to the Premises and the books and records of the Business pursuant to a certain Plea Memorandum between the federal government and Landlord and Tenant agrees to all such provisions thereof.

36. **ATTORNEY'S FEES.** If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the demised premises by reason of any act or omission of Tenant, then, Tenant shall hold harmless landlord from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by Landlord in such litigation.

If the tenant is involuntarily made a party defendant to any litigation concerning this lease or the demised premises by reason of any act or omission of landlord, then, landlord shall hold harmless tenant from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by tenant in such litigation. If the tenant incurs any cost or fee related to any fine, fee, debt or cost, of any kind, or from any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, then, landlord shall hold harmless tenant from all liabilities, cost and/or fees, of any kind, by reason thereof, including reasonable attorney's fees and all costs incurred by tenant.

If either Landlord or Tenant shall commence any legal proceedings against the other with respect to any of the terms and conditions of this Lease, the non-prevailing party therein shall pay to the other all expenses of said litigation, including a reasonable attorney's fee as may be fixed by the court having jurisdiction over the matter. The parties hereto agree that the State of Nevada is the proper jurisdiction for litigation of any matters relating to this Lease and service may be effectuated in any manner allowed by law.

37. **HOLDING OVER.** Tenant shall vacate the Property upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify Landlord against all damages which Landlord incurs from Tenant's delay in vacating the Property. Any holding over after the expiration of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month to month, cancelable upon thirty (30) days written notice, and at a rental which is increased by 25% and upon terms and conditions as existed during the last year of the term hereof.

38. **NOTICE.** Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly

given or served unless in writing and forwarded by certified mail, addressed as follows:

Landlord:

THE POWER COMPANY, INC.  
2476 Industrial Avenue  
Las Vegas, Nevada 89102

Tenant:

NEVADA RECEIVERSHIP  
302 Carson Ave, Ste 802  
Las Vegas, Nevada 89101

Either party may change such address by written notice by certified mail to the other.

39. **SUCCESSORS IN INTEREST.** The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

40. **TENANT'S PERFORMANCE.** In the event Tenant shall fail within any time limits which may be provided herein to complete any work or perform any other requirements provided to be performed by Tenant prior to the commencement of the term hereof, or in the event Tenant shall cause a delay in the completion of any work, Landlord may send Tenant written notice of said default and if said default is not corrected within ten (10) days thereafter, Landlord may by written notice prior to the curing of said default terminate this Lease. Landlord shall be entitled to retain as liquidated damages all deposits made hereunder and such improvements as Tenant may have annexed to the realty that cannot be removed without damage thereto.

41. **FORCE MAJEURE.** If either party hereto shall be delayed or prevented from the performance of any act hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations, or any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Article 41 contained shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder except as may be expressly provided elsewhere in this Lease. Should any closure and/or restriction of or upon the business exceed thirty days in duration, the tenant, at his discretion, may terminate this lease without penalty or cost.

42. **PARTIAL INVALIDITY.** If any term, covenant, condition of provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereof.

43. **MARGINAL CAPTIONS.** The various headings and numbers herein and the grouping of the provisions of this Lease into separate Articles and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

44. **TIME.** Time is of the essence of this Lease.

45. **SUBORDINATION, ATTORNMENT.** This Lease, at Landlord's option, shall be subordinate to the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the demised premises are a part, and to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, that as to the lien of any such deed of trust or mortgage Tenant's right to quiet possession of the premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the demised premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

Within ten (10) days after request therefor by Landlord, or in the event that upon any sale, assignment, or hypothecation of the demised premises or the land thereunder by Landlord, an estoppel certificate and/or financial statement shall be requested of Tenant, Tenant agrees to deliver such financial statement, and to deliver such estoppel certificate (in recordable form) addressed to any such proposed mortgagee or purchaser or to the landlord certifying the requested information, including among other things the dates of commencement and termination of this Lease, the amounts of security deposits, and that this Lease is in full force and effect (if such be the case) and that there are no differences, offsets or defaults of Landlord, or noting such differences, offsets or defaults as actually exist. Tenant shall be liable for any loss or liability resulting from any incorrect information certified, and such mortgagee and purchaser shall have the right to rely on such estoppel certificate and financial statement.

46. **CONDEMNATION.** If the event of a condemnation or a transfer in lieu thereof twenty (20%) percent or more of the demised premises is taken, or in the event as a result of such taking or transfer in lieu thereof Landlord is unable to provide the parking required by Article 10 hereof, Landlord or Tenant may, upon written notice given within thirty (30) days after such taking or transfer in lieu thereof, terminate this Lease. Tenant shall not be entitled to share in any portion of the award and Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall, however, have the right to claim and recover, only from the condemning authority (but not from Landlord) any amounts necessary to reimburse Tenant for the cost of removing stock and fixtures, moving the business, loss of business, et cetera.

47. **NO ORAL AGREEMENTS.** This Lease cover in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein and there are no oral agreements or implied covenants.

48. **HOLD HARMLESS.** Tenant agrees that Landlord shall in no event be liable in damages or otherwise to Tenant for any acts, conduct, negligence or carelessness, of any other tenant or tenants occupying other portions of the building within which the demised premises are located, and in this connection, Tenant specifically releases Landlord of and from all and any damages which Tenant may sustain by reason of the acts, conduct, negligence or carelessness of other occupants of said building or adjoining buildings wherein the demised premises are located.

IN WITNESS WHEREOF, the parties have duly executed this Lease together with the herein referred to Exhibits which are attached hereto, on the day and year first above written.

**TENANT:**

NEVADA RECEIVERSHIP, a Nevada  
limited liability company

By: Michael Signoulli

**LANDLORD:**

THE POWER COMPANY, INC. A  
Nevada corporation

By: [Signature]

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## OPERATING SUBLEASE

THIS OPERATING SUBLEASE ("Lease") is made and entered into this \_\_\_\_\_ day of September, 2006, by and between THE POWER COMPANY, Inc, a Nevada corporation, and Nevada Receivership, LLC, a Nevada limited liability company, hereinafter respectively referred to as Landlord and Tenant without regard to number or gender.

### WITNESSETH

1. **LEASED PROPERTY.** The Leased hereunder includes the premises situated at 2476 Industrial Road, Las Vegas, Nevada, 89102 (the "Premises") together with operating assets and business of Landlord which are part of the business of Landlord operated under the name Crazy Horse Too (the "Business"). As used herein, the Business includes all furniture, fixtures and equipment, leasehold improvements, contracts inventory and cash on hand totaling \$250,000. Tenant accepts the Business and the Premises in their condition as of the execution of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Property or the suitability of the Property for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection of and inquiry regarding the condition of the Property and is not relying on any representations of Landlord or any Broker with respect thereto.

2. **USE.** Landlord hereby subleases Premises and leases the Business to Tenant and Tenant hereby hires from Landlord the Premises and the Business for the purpose of operating a gentleman's club with liquor license as allowed by law and subject to the provisions hereof. Tenant acknowledges that the Business has not been operating since on or about September and that, upon issuance to Tenant of a tavern license or temporary tavern license, Tenant shall immediately reopen the Business and keep and maintain the Business open and operating during the term of this Lease.

✓ 3. **TERM.** The term of this Sublease shall be one year subject the early termination provisions herein, but shall be contingent upon the Tenant obtaining a Liquor License from the City of Las Vegas as follows: if the Tenant does not obtain the Liquor License on October 4, 2006, he may at his discretion timely reapply for the same, but in any case the right to purchase the Center, the Premises and the Business pursuant to the terms of Article 50 shall survive the lease 90 for days; in the event that the Tenant does not obtain a Liquor License, he shall receive a one time payment of \$150,000, payable over 3 months, at \$50,000 per month, beginning at end of the 90 period.

4. **RENTAL.** Tenant shall pay to the Landlord as rental for the demised premises the sum of Four Hundred Thousand Dollars (\$400,000) per month, in advance, on the 1st day of each month in lawful money of The United States at such address as shall be supplied by the Landlord. Any rent not received within ten (10) days of the due

Submitted at City Council

Date 10/4/06 Item 46

date will be subject to late fee equal to Eight Thousand Dollars (\$8,000) and, after the tenth (10<sup>th</sup>) day, an additional late fee of One Thousand Dollars (\$1,000) per day. Should the tenancy commence subsequent to the first day of any month, such rents will be prorated, with a pro-rata reduction based upon the remaining full days left in that month.

✓ 5. **SECURITY DEPOSIT.** No Security Deposit shall be required.

6. **PERSONAL PROPERTY TAXES.** Tenant shall pay all taxes charged against the assets of the business, including but not limited to leasehold improvements, trade fixtures, furnishings, equipment, inventory or any other personal property leased hereunder or belonging to Tenant.

✓ 7. **INTEREST ON PAST DUE OBLIGATIONS.** Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of fifteen percent (15%) per annum from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. In the event any amount is past due, Landlord shall have the right to apply any payments made first to late charges and fees until the same shall be paid in full and thereafter to other amounts due hereunder. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

8. **WORK DONE TO PREMISES.** Tenant shall notify Landlord in advance about repair construction, alterations or remodeling done to the Premises, including but not any work done to air conditioning or other equipment on the roof of premises, and shall not perform any such work without the written consent of Landlord which consent shall not be unreasonably withheld.

9. **GENERAL.** As and for a specific consideration for the granting of this Lease, it is agreed that:

- A. During all hours of operation while the Premises shall be open for business, an attendant over twenty-one (21) years of age will be continuously present at all such times.
- B. Tenant agrees to obey all applicable laws, regulations and ordinances applicable to the business conducted upon the premises.
- C. Tenant agrees to place no coin operated device on the premises which would violate any statute, ordinance or administrative code.

10. **PARKING AND COMMON FACILITIES.** Landlord covenants that

the common and parking areas ("Common Areas") of the real property of which the Premises are a part (the "Center") shall be available for the non-exclusive use of Tenant, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all of such common and parking areas shall not constitute a violation of this covenant. Landlord reserves the right to change the entrances, exits, traffic lanes and the boundaries and locations of such parking area or areas. This Lease shall be subordinate to any agreement existing as of the date of this Lease or subsequently placed upon the real property of which the demised premises are a part, which agreement provides for reciprocal easements and restrictions pertaining to the common and parking areas, and in the event of conflict between the provisions of such agreement and this Lease, the provisions of said agreement shall prevail.

- A. Tenant, for the use and benefit of Tenant, its agents, employees, customers, licensees and subtenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants of the Center and their agents, employees, customers, licensees and subtenants, to use the Common Areas during the entire term of this Lease, or any extension thereof, for ingress and egress, roadway, sidewalk and automobile parking, provided however Tenant and Tenant's employees shall park their automobiles in those areas designated for employee parking, or at the written request of the owner of the Center ("Owner") shall park their automobiles outside of the shopping center.
- B. The Tenant, in the use of said Common Areas, agrees to comply with all reasonable rules and regulations that the Owner may adopt from time to time for the orderly and proper operation of the Common Areas.
- C. Current parking regulations are as follows:

**PARKING REGULATIONS  
EFFECTIVE AS OF JUNE 1, 2002**

- 1. **No parking of non-operational vehicles.** It is illegal to leave non-operational vehicles, registered or unregistered, on a street or public thoroughfare or, absent consent of Owner, in the common areas. See LVMC § 11.24.010 and § 11.24.020. Such non-operational vehicles will be towed away at the expense of the vehicle owner.
- 2. **No parking in common areas during off-hours.** Parking in common areas, by customers, vendors, or others, are permitted only during operating hours.
- 3. **No parking in fire lanes.** Fire lanes or fire apparatus access roads are designated

for authorized emergency vehicles and fire trucks. Unauthorized parking in fire lanes presents a safety problem, constitutes violations of Clark County Code §§ 13.04.140 and 14.40.030 and Las Vegas Municipal Code § 11.10.160.

**4. No parking outside of designated parking areas.** Parking is limited to those areas clearly designated for parking.

**11. USES PROHIBITED.** Tenant shall not use, or permit said premises, or any part thereof, to be used for any purpose other than the purpose or purposes for which said premises are hereby leased. If Tenant uses the property in such a way so as to cause Owner's insurance rate to increase, Tenant shall be responsible for paying any such increase; nor shall Tenant sell or permit to be kept, used or sold in or about the Premises any property which may be prohibited by standard form of fire insurance policies. Tenant shall not use, store or dispose of any hazardous substances upon the premises, except use and storage of such substances if they are customarily used in Tenant's business, and such use and storage complies with all environmental laws. Hazardous substance means any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property. Tenant shall, at his sole cost, comply with any and all requirements, pertaining to the use of said premises, of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance, covering said building and appurtenances.

**12. ALTERATIONS AND FIXTURES.** Except as provided herein, Tenant shall not make or suffer to be made, any alterations of the demised premises, or any part thereof, without the prior written consent of Landlord, which shall not be unreasonably withheld, and any additions to, or alterations of, said premises, except movable furniture and trade fixtures, shall become at once a part of the realty. Any such alterations shall conform with the requirements of all municipal, state and federal authorities. In the event permission for alterations, additions, or remodeling of the demised premises is granted, and should the Tenant's use, alteration, addition, or remodeling of the demised premises, result in a tax increase for the building of which the demised premises are a part, Tenant shall pay annually any increase tax burden assessed using the tax period of 1998-1999 as the base for all computations.

**13. MAINTENANCE AND REPAIR.** Tenant shall, subject to Landlord's obligations hereinafter provided, at all times during the term hereof, and at Tenant's sole cost and expense, keep, maintain, and repair the building and other improvements upon the demised premises in good and sanitary order and condition (except as hereinafter provided) including without limitation, the maintenance and repair of any store front, doors, window casements, glazing, heating and air conditioning system (if any), plumbing, pipes, electrical wiring and conduits and the portion of the six foot sidewalk in front of, and the thirty foot, more or less, paved area in the rear of, the demised premises. Tenant shall also at its sole cost and expense be responsible for any alterations or

improvements to the demised premises necessitated as a result of the requirement of any municipal, state or federal authority. Tenant hereby waives all right to make repairs at the expense of Landlord. By entering into the demised premises Tenant shall be deemed to have accepted the demised premises as being in good and sanitary order, condition and repair and Tenant agrees on the last day of said term or sooner termination of this Lease to surrender the demised premises with appurtenances, in the same condition as when received, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted. Tenant shall periodically sweep and clean the sidewalks adjacent to the demised premises, as needed. In addition, Tenant shall:

- A. Tenant agrees to clean daily around the doorway of the premises, both inside and outside, and shall from time to time when required, clean windows and floors.
- B. Store all trash and garbage within the demised premises in containers so located as to not create or permit any health or fire hazard and arrange for the regular removal thereof. No refuse, debris, waste or garbage shall be allowed to accumulate in any open area appurtenant to the demised premises. Tenant shall maintain a contract with Republic (or any other trash removal service licenced and authorized to do business in the City of Las Vegas) for the removal of all trash and garbage on at least a weekly basis.
- C. Refrain from burning any papers, trash or garbage of any kind in or about the demised premises.
- D. Refrain from overloading any floor in the demised premises.
- E. Refrain from using or permitting the use of any portion of the demised premises as living quarters, sleeping apartment, lodging rooms, or for any unlawful purpose.
- F. Refrain from keeping or displaying any merchandise or other object on or otherwise obstructing any sidewalks, walkways or areaways.
- G. Refrain from keeping or permitting the keeping of any animals of any kind in, about or upon the demised premises.
- H. Refrain from distributing any handbills or other advertising matter on or about the sidewalks, streets, passageways or common area within or surrounding the commercial center.

- I. Refrain from using or permitting the sidewalk adjacent to the demised premises to be used for any vending machine, amusement device, scale, newsstand, cigar stand, sidewalk shop or other business, occupancy, or undertaking.
- J. Refrain from parking, operating, loading or unloading any truck or other delivery vehicle on any part of the business center other than that portion there of from time to time designated by Landlord.
- K. Refrain from using the plumbing facilities for any other purpose other than that for which they were constructed or disposing of any damaging or injurious substance therein.
- L. Tenant shall not commit, or suffer to be committed, any waste upon the demised premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the building in which the demised premises may be located.
- M. Landlord shall, as herein provided, maintain in good repair the exterior sidewalks but shall not be required to make any repairs to said areas unless and until Tenant has notified Landlord in writing of the need for such repairs. Landlord shall have reasonable time to commence and complete the same.

14. **CONDITION UPON TERMINATION.** Upon the termination of the Lease, unless the same shall terminate upon sale of the Center, the Premises and the Business to the Tenant, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. All assets used in the Business and leased hereunder and all reserves, replacements or additions thereto, including but not limited intangibles, goodwill, customer lists, inventory not less than \$200,000 and cash on hand of \$250,000 shall be returned to Landlord or shall become, as the case may be, the property of the Landlord, free and clear of any liens created by or in favor of Tenant. In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) prior to the expiration of the Lease and to restore the Property to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Property. Tenant shall repair, at Tenant's expense, any damage to the Property caused by the removal of any such machinery or equipment. In no event, however, shall

Tenant remove any of the following materials or equipment (which shall be deemed Landlord's property) without Landlord's prior written consent: any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment and decorations.

15. **COMPLIANCE WITH LAWS.** Tenant shall, at his sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of said premises, and shall faithfully observe in said use all municipal ordinances or rules and state and federal statutes now in force or which shall hereinafter be in force, the judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding by or against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such order or statute in said use, shall be conclusive of that fact as between the Landlord and Tenant.

16. **INSURANCE.** (a) Landlord shall maintain fire and extended coverage insurance throughout the term of this Lease in an amount equal to at least ninety (90%) percent of the replacement value of the building which includes the demised premises, together with such other insurance as may be required by Landlord's lender or by any governmental agency. Tenant hereby waives any right of recovery from Landlord, its officers and employees, and Landlord hereby waives any right of recovery from Tenant, its officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement. Tenant agrees to pay to Landlord its pro-rata share of the cost of said insurance to be determined by the relationship that the gross floor area of the demised premises bears to the total gross floor area of the building or buildings for which such policy relates. In addition should the Tenant's use, alteration, or remodeling of the demised premises, result in a rate increase for the building of which the demised premises are a part, Tenant shall pay annually on the anniversary date of this Lease, as additional rent, a sum equal to that of the additional premium occasioned by said rate increase.

(b) During the Lease Term, Tenant shall obtain insurance for all assets which are a part of the Business, including, leasehold improvement, furniture, fixtures or equipment and inventory or building improvements installed by Tenant on the Property. During the Lease Term, Tenant shall also maintain a rental income insurance policy, with loss payable to Landlord, in an amount equal to one year's Base Rent, plus estimated real property taxes and insurance premiums. Tenant shall be liable for the payment of any deductible amount under Tenant's insurance policies maintained. Tenant shall not do or permit anything to be done which invalidates any such insurance policies.

(c) Tenant shall pay all premiums for the insurance policies described here (whether obtained by Landlord or Tenant) within fifteen (15) days after Tenant's receipt of a copy of the premium statement or other evidence of the amount due, except Landlord shall pay all premiums for non-primary comprehensive public liability insurance which Landlord elects to. If insurance policies maintained by Landlord cover improvements on the Center, Landlord shall deliver to Tenant a statement of the premium applicable to the Property showing in reasonable detail how Tenant's share of the premium was computed. If the Lease Term expires before the expiration of an insurance policy maintained by Landlord, Tenant shall be liable for Tenant's prorated share of the insurance premiums.

(d) General Insurance Provisions.

(i) Any insurance which Tenant is required to maintain under this Lease shall include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days written notice prior to any cancellation or modification of such coverage.

(ii) If Tenant fails to deliver any policy, certificate or renewal to Landlord required under this Lease within the prescribed time period or if any such policy is cancelled or modified during the Lease Term without Landlord's consent, Landlord may obtain such insurance, in which case Tenant shall reimburse Landlord for the cost of such insurance within fifteen (15) days after receipt of a statement that indicates the cost of such insurance.

(iii) Tenant shall maintain all insurance required under this Lease with companies holding a "General Policy Rating" of A-12 or better, as set forth in the most current issue of "Best Key Rating Guide". Landlord and Tenant acknowledge the insurance markets are rapidly changing and that insurance in the form and amounts described herein may not be available in the future. Tenant acknowledges that the insurance described herein is for the primary benefit of Landlord. If at any time during the Lease Term, Tenant is unable to maintain the insurance required under the Lease, Tenant shall nevertheless maintain insurance coverage which is customary and commercially reasonable in the insurance industry for Tenant's type of business, as that coverage may change from time to time. Landlord makes no representation as to the adequacy of such insurance to protect Landlord's or Tenant's interests. Therefore, Tenant shall obtain any such additional property or liability insurance which Tenant deems necessary to protect Landlord and Tenant.

(iv) Unless prohibited under any applicable insurance policies maintained, Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Upon obtaining the required policies of insurance, Landlord and Tenant shall give notice to the insurance carriers of this mutual waiver of subrogation.

**17. INDEMNIFICATION OF LANDLORD - LIABILITY INSURANCE BY TENANT.** Tenant, as a material part of the consideration to be rendered to Landlord under this Lease, hereby waives all claims against Landlord and Owner for damage to goods, wares and merchandise, in, upon or about said premises and for injuries to persons in or about said premises, from any causes arising at any time, and Tenant will hold Landlord and Owner exempt and harmless from any damage or injury to any person, or the goods, wares, and merchandise of any person, arising from the use of the premises by Tenant, or from the failure of Tenant to keep the premises in good condition and repair, as herein provided.

During the entire term of this Lease, the Tenant shall, at the Tenant's sole cost and expense, but for the mutual benefit of Landlord, Owner and Tenant, maintain general public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the demised premises and on any sidewalks directly adjacent to the demised premises. The limitation of liability of such insurance shall be not less than One Million and No/100 (\$1,000,000.00) Dollars in respect to injury or death of one person and to the limit of not less than Three Million and No/100 (\$3,000,000.00) Dollars in respect to any one accident and to the limit of not less than Two Hundred Fifty Thousand and No/100 (\$250,000.00) Dollars in respect to property damage. All such policies of insurance shall be issued in the name of Tenant, Landlord and Owner and for the mutual and joint benefit and protection of the parties, and such policies of insurance or copies thereof shall be delivered to the Landlord and Owner.

✓ **18. INDEMNIFICATION OF TENANT - CLAIMS AND SUITS ARISING BEFORE EXECUTION OF LEASE.** Landlord, as a material part of the consideration to be rendered to Tenant under this Lease, hereby agrees to fully indemnify and hold harmless the Tenant from any and all cost, fee or judgment, irrespective of its type or origin, including all reasonable attorney's fees, resulting from any claim or suit that arose, accrued or originated before the execution of this Lease, irrespective of when the Tenant receives notice of such claim or suit. Such costs and fees shall be immediately due and payable upon notice of the same to Landlord, with the Tenant retaining the right to appoint counsel, but at no cost to him, in conjunction with the Landlord.

**19. FREE FROM LIENS.** Tenant shall keep the demised premises and the property in which the demised premises are situated free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant. Tenant shall take all reasonable steps necessary to remove any lien placed upon the property.

**20. ABANDONMENT.** Tenant shall not vacate or abandon the demised premises at any time during the term of this Lease; and if Tenant shall abandon, vacate or surrender the demised premises or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the demised premises shall be deemed to be abandoned, at the option of landlord, except such property as may be mortgaged to

Landlord.

21. **SIGNS AND AUCTIONS.** Tenant shall not place or permit to be placed any sign upon the exterior or in the windows of the demised premises without Landlord's prior written consent, nor shall Tenant change the color or exterior appearance of the demised premises without Landlord's prior written consent. Landlord will provide to Tenant an approved sign criteria drawing, which shall be submitted to Landlord for Landlord's written approval. Tenant agrees to install a sign in accordance with the approved sign construction drawing within thirty (30) days after the commencement of the term of this Lease.

Tenant shall not without Landlord's prior written consent display or sell merchandise outside the defined exterior walls and permanent doorways of the demised premises. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the demised premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other solvency proceeding.

22. **UTILITIES.** Tenant shall pay before delinquency all charges for water, gas, heat, electricity, sewer, power, telephone service and all other services of utilities used in, upon, or about the demised premises by Tenant or any of its subtenants, licensees, or concessionaires during the term of this Lease. If any utility is not separately metered Tenant agrees to reimburse Landlord for the cost of said service.

23. **ENTRY AND INSPECTION.** Tenant shall permit Landlord, Owner and their agents to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, or for the purpose of posting notices or non-liability for alterations, additions or repairs, or for the purpose of placing upon the property in which the premises are located any usual or ordinary "For Sale" signs. Landlord shall be permitted to do any of the above without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the premises thereby occasioned. Tenant shall permit Landlord, at any time within thirty (30) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "For Lease" signs and during such thirty (30) day period Landlord or his agents may, during normal business hours, enter upon said premises and exhibit same to prospective Tenants.

24. **DAMAGE AND DESTRUCTION OF PREMISES.** In the event of (a) partial destruction of said premises or the building containing same during said term which requires repairs to either said premises or said building, or (b) said premises or said

building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either said premises or said building, Landlord shall forthwith make said repairs provided Tenant gives to Landlord thirty (30) days written notice of the necessity therefor. No such partial destruction (including any destruction necessary in order to make repairs required by any declaration made by any public authority) shall in any way annul or void this Lease except that Tenant shall be entitled to a proportionate reduction of minimum rental while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in said premises.

The foregoing to the contrary notwithstanding, if the building is damaged or destroyed at any time during the term hereof to an extent of more than twenty-five (25%) percent of its then replacement cost (excluding foundation(s)) as a result of a casualty not insured against, Landlord may within thirty (30) days following the date of such destruction terminate this Lease upon written notice to Tenant. For purposes of the preceding, any casualty which is only partially insured due to limits on insurance, exclusions from coverage or deductible shall be deemed a casualty not insured against. If Landlord does not elect to so terminate because of said uninsured casualty, Landlord shall promptly rebuild and repair said premises and Tenant's rental obligation shall be proportionately reduced as herein above provided.

✓ 25. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease, or any interest therein, and shall not sublet the demised premises or any part thereof, or any right or privilege appurtenant thereto, or permit any other person (the agents and servants of Tenant excepted) to occupy or use the demised premises, or any portion thereof, without first obtaining the written consent of Landlord.

The specific assignment, by written consent of the Landlord, to a single subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to an assignment shall not release the original named Tenant from liability for the continued performance of the terms and provisions on the part of Tenant to be kept and performed, unless Landlord specifically releases the original named Tenant from said liability.

Any assignment or subletting without the prior written consent of Landlord shall be void, and shall, at the option of Landlord terminate this Lease. Neither this Lease nor any interest therein shall be assignable, as to the interest of Tenant, by operation of law, without the prior written consent of Landlord.

✓ It is explicitly agreed and understood that if the Tenant forms and/or hires an operator, or management team, this shall not constitute a sublease under this agreement.

26. **DEFAULT.** It is agreed that should Tenant be in default in any of the

economic terms or conditions of this Lease, then while such default continues, Landlord shall have a lien, and neither the whole nor any part of the furniture, equipment, supplies or other property of Tenant located in the premises shall be removed therefrom, except with the written consent of Landlord first obtained, and Landlord shall have the right and privilege, at his option, to take and retain possession of said furniture, equipment and supplies, to store the same in such place or warehouse as may be selected by Landlord, at the expense and risk of Tenant.

Each of the following shall be deemed an Event of Default:

- A. Default in the payment of rent or other payments hereunder.
- B. Default in the performance or observance of any of the terms and condition of this Lease.
- C. Failure to keep the premises occupied and open for business on a 24 hour per day, seven day per week basis, except as required for remodeling, refurbishing or repairs.
- D. Abandonment of the premises.
- E. Filing or execution of a petition of bankruptcy by or against Tenant, to the extent said filing causes Tenant to fail to pay rent as due.
- F. Filing of a petition or answer seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, to the extent said filing causes Tenant to fail to pay rent as due.
- G. Adjudication of Tenant as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense, to the extent said adjudication causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- H. An assignment for the benefit of creditors whether by trust mortgage or otherwise, which has not been approved by Landlord; said approval not to be unreasonably withheld.
- I. A petition or other proceeding by or against the Tenant for, or the appointment of, a trustee, receiver, guardian, conservator or liquidator of Tenant with respect to all or substantially all of their property, to the extent said petition causes either a failure to pay

rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.

- J. A petition or other proceeding by or against Tenant for their dissolution or liquidation, or the taking of possession of the property of the Tenant by any governmental authority in connection with dissolution or liquidation, to the extent said petition causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- K. The taking by any person of the leasehold created thereby or any part thereof upon execution, attachment or other process of law or equity.

27. **DEFAULT REMEDIES.** Upon occurrence of any Event of Default, Landlord may, at his option, give Notice to Tenant that this Lease shall terminate upon the date specified in the notice, which date shall not be earlier than five (5) days after the giving of such notice, in addition to any other remedy or right given hereunder or by law.

In the event of Tenant's breach of any of the Articles or conditions contained in this agreement, the Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the rent herein provided, but additional rent at the rate of one-thirtieth (1/30) of the minimum monthly rent herein provided for each and every day that the Tenant shall fail to conduct its business as herein provided said additional rent shall be deemed to be in lieu of any percentage rent that might have been earned during such period of the Tenant's failure to conduct its business as herein provided.

28. **REPOSSESSION.** Upon termination of this Lease as herein above provided, or pursuant to statute, or by summary proceedings or otherwise, Landlord may enter forthwith without further demand or notice upon any part of the premises in the name of the whole, if he has not therefore done so, and resume possession either by summary proceedings, or by action at law or in equity or by force or otherwise, as Landlord may determine, without being liable in trespass or for any damages. In no event shall such reentry or resumption of possession or reletting as hereafter provided be deemed to be an acceptance or surrender of this Lease or a waiver of the rights or remedies of Landlord hereunder.

29. **RELETTING.** Upon termination of this Lease in any manner above provided, Landlord shall use reasonable efforts to relet the premises. Landlord shall be deemed to use reasonable efforts if he leases the whole or any part of the premises, separately or with other premises, for any period equal to or less than, or extending beyond, the remainder of the original term, for any sum or to any tenant or for any use it

deems reasonably satisfactory or appropriate, and refusal to let to any person or for any use Landlord deems objectionable, or for any use not expressly permitted under Section 5 of this Lease.

30. **DAMAGES.** Upon termination of this Lease in any manner above provided, or by summary proceedings or otherwise, Tenant shall pay to Landlord forthwith without demand or notice the sum of the following:

- A. All rent, additional rent and other payments accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs.
- B. The cost of making all repairs, and alterations required to be made by Tenant hereunder, and of performing all covenants of Tenant relating to the condition of the premises during the term and upon expiration or sooner termination of this Lease, such cost to be deemed prima facie to be the cost estimated by a reputable architect or contractor selected by Landlord or the amounts actually expended or incurred thereafter by Landlord.
- C. An amount equal to "liquidation damages".  
  
"Liquidation Damages" mean an amount equal to the excess of the rent, additional rent and other payments reserved in this Lease, for the portion of the term remaining after termination of the Lease (hereinafter referred to as the "unexpired term") over the then fair and reasonable rental value of the premises for such period of the term.
- D. Cost of obtaining possession of the premises.
- E. Removal and storage of Tenant's or other occupant's property.
- F. Care, maintenance and repair of the premises while vacant.
- G. Reletting the whole or any part of the premises (which relating may be for a period of periods of time less than the unexpired term hereof or extending beyond the term thereof.
- H. The cost of restoring the premises to a rentable condition.

Such costs and expenses shall be deemed prima facie to be the amounts thereof invoiced to Landlord or actually expended or incurred therefor by Landlord.

31. **SURRENDER OF LEASE.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to him of any or all of such subleases or subtenancies.

✓ 32. **SALE OF PREMISES BY LANDLORD.** In the event of any sale of the Premises by Owner and/or a sale by Landlord of the Business, to any party other than the Tenant, purchaser shall be bound by all the terms and conditions of this Lease except that any such purchaser shall have the right, upon 30 days written notice, to terminate this Lease, in which case all amounts received as profit to the Tenant shall be calculated, up to and including the date of termination, and if such amounts total less than \$1,500,000, Tenant shall receive a lump sum payment upon the date of termination equal to the difference between such net sums already received and \$1,500,000. For purposes of the foregoing, profit shall include any and all payments, whether styled as management fees salaries or other compensation, paid by Tenant to any person or entity affiliated with Tenant or measured by the income of the Business.

33. **HOURS OF BUSINESS.** Subject to the provisions of Article 23 hereof, Tenant shall continuously during the entire term hereof conduct and carry on the Business in the Premises and shall keep the Premises open for business and cause the Business to be conducted therein to be open and operating on a 24 hour 7 day per week basis; provided, however, that this provision shall not apply if the demised premises should be closed and the business of Tenant temporarily discontinued therein on account of remodeling, refurbishing, repair, strikes, lockouts or similar causes beyond the reasonable control of Tenant.

34. **ESTOPPEL CERTIFICATES.** (a) Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to Tenant or the Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Property may require. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Landlord may give any such statement by Tenant to any prospective purchaser or encumbrancer of the Property. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

(b) If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease

have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts

✓ 35. **OPERATION OF BUSINESS.** Tenant shall, at its sole cost and expense, use its best efforts to obtain the required licenses to re-open the Business as soon as practicable in the circumstances. Upon obtaining such licenses and re-opening the Business, Tenant shall operate the Business as provided herein, in substantially the same manner as the Business was being operated on the date it was closed and in accordance with all local, state and federal laws and regulations applicable thereto. Unless prohibited by any such law or regulation, Tenant shall assume all contracts of Landlord with all third party contractors and employees in connection with the operation of the Business. Landlord, through its designated representatives, shall have unlimited access to the Premises.

36. **FEDERAL ACCESS.** Tenant acknowledges that the federal government has certain rights of access to the Premises and the books and records of the Business pursuant to a certain Plea Memorandum between the federal government and Landlord and Tenant agrees to all such provisions thereof.

37. **ATTORNEY'S FEES.** If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the demised premises by reason of any act or omission of Tenant, then, Tenant shall hold harmless landlord from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by Landlord in such litigation.

If the tenant is involuntarily made a party defendant to any litigation concerning this lease or the demised premises by reason of any act or omission of landlord, then, landlord shall hold harmless tenant from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by tenant in such litigation. If the tenant incurs any cost or fee related to any fine, fee, debt or cost, of any kind, or from any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, then, landlord shall hold harmless tenant from all liabilities, cost and/or fees, of any kind, by reason thereof, including reasonable attorney's fees and all costs incurred by tenant.

If either Landlord or Tenant shall commence any legal proceedings against the other with respect to any of the terms and conditions of this Lease, the non-prevailing party therein shall pay to the other all expenses of said litigation, including a reasonable attorney's fee as may be fixed by the court having jurisdiction over the matter. The parties

hereto agree that the State of Nevada is the proper jurisdiction for litigation of any matters relating to this Lease and service may be effectuated in any manner allowed by law.

38. **HOLDING OVER.** Tenant shall vacate the Property upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify Landlord against all damages which Landlord incurs from Tenant's delay in vacating the Property. Any holding over after the expiration of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month to month, cancelable upon thirty (30) days written notice, and at a rental which is increased by 25% and upon terms and conditions as existed during the last year of the term hereof.

39. **NOTICE.** Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified mail, addressed as follows:

Landlord:

**THE POWER COMPANY, INC.**  
**2476 Industrial Avenue**  
**Las Vegas, Nevada 89102**

Tenant:

**NEVADA RECEIVERSHIP**  
**302 Carson Ave, Ste 802**  
**Las Vegas, Nevada 89101**

Either party may change such address by written notice by certified mail to the other.

40. **SUCCESSORS IN INTEREST.** The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder, save that any licensing obtained by the Tenant shall be non transferable without the Tenant's agreement in writing.

41. **TENANT'S PERFORMANCE.** In the event Tenant shall fail within any time limits which may be provided herein to complete any work or perform any other requirements provided to be performed by Tenant prior to the commencement of the term hereof, or in the event Tenant shall cause a delay in the completion of any work, Landlord may send Tenant written notice of said default and if said default is not corrected within ten (10) days thereafter, Landlord may by written notice prior to the curing of said default terminate this Lease. Landlord shall be entitled to retain as liquidated damages all deposits made hereunder and such improvements as Tenant may have annexed to the realty that cannot be removed without damage thereto.

42. **FORCE MAJEURE.** If either party hereto shall be delayed or prevented from the performance of any act hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations,

or any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Article 41 contained shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder except as may be expressly provided elsewhere in this Lease. Should any closure and/or restriction of or upon the business exceed thirty days in duration, the Tenant, at his discretion, may terminate this lease without penalty or cost.

43. **PARTIAL INVALIDITY.** If any term, covenant, condition of provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereof.

44. **MARGINAL CAPTIONS.** The various headings and numbers herein and the grouping of the provisions of this Lease into separate Articles and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

45. **TIME.** Time is of the essence of this Lease.

46. **SUBORDINATION, ATTORNMENT.** This Lease, at Landlord's option, shall be subordinate to the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the demised premises are a part, and to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, that as to the lien of any such deed of trust or mortgage Tenant's right to quiet possession of the premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the demised premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

Within ten (10) days after request therefor by Landlord, or in the event that upon any sale, assignment, or hypothecation of the demised premises or the land thereunder by Landlord, an estoppel certificate and/or financial statement shall be requested of Tenant, Tenant agrees to deliver such financial statement, and to deliver such estoppel certificate (in recordable form) addressed to any such proposed mortgagee or purchaser or to the landlord certifying the requested information, including among other things the dates of commencement and termination of this Lease, the amounts of security deposits, and that this Lease is in full force and effect (if such be the case) and that there are no differences, offsets or defaults of Landlord, or noting such differences, offsets or defaults as actually exist. Tenant shall be liable for any loss or liability resulting from any incorrect information certified, and such mortgagee and purchaser shall have the right to rely on such estoppel certificate and financial statement.

47. **CONDEMNATION.** If the event of a condemnation or a transfer in lieu thereof twenty (20%) percent or more of the demised premises is taken, or in the event as a result of such taking or transfer in lieu thereof Landlord is unable to provide the parking required by Article 10 hereof, Landlord or Tenant may, upon written notice given within thirty (30) days after such taking or transfer in lieu thereof, terminate this Lease. Tenant shall not be entitled to share in any portion of the award and Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall, however, have the right to claim and recover, only from the condemning authority (but not from Landlord) any amounts necessary to reimburse Tenant for the cost of removing stock and fixtures, moving the business, loss of business, et cetera.

48. **NO ORAL AGREEMENTS.** This Lease covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein and there are no oral agreements or implied covenants.

49. **HOLD HARMLESS.** Tenant agrees that Landlord shall in no event be liable in damages or otherwise to Tenant for any acts, conduct, negligence or carelessness, of any other tenant or tenants occupying other portions of the building within which the demised premises are located, and in this connection, Tenant specifically releases Landlord of and from all and any damages which Tenant may sustain by reason of the acts, conduct, negligence or carelessness of other occupants of said building or adjoining buildings wherein the demised premises are located.

✓ 50. **PURCHASE AGREEMENT.** In consideration of the foregoing tenancy, the Landlord, and all other parties in interest, hereby grant to Tenant an option to purchase the Center, Premises and Business pursuant to the terms of the Purchase and Sale Agreement attached hereto subject to the terms therein, and a right of first refusal as set forth in this Paragraph 50, which shall apply if Tenant does not exercise the option as provided in the Purchase and Sale Agreement. If Landlord and the Owner shall receive an offer from a third party to purchase the Business, Premises and the Center, Landlord

and Owner shall, prior to accepting any such offer, give Tenant written notice of the applicable price, terms and conditions contained in such offer. Tenant shall have 72 hours from receipt of such written notice to agree, in a written notice to Landlord and Owner, to purchase the Center, Business and Premises at the price and on the terms and conditions contained in such offer. If Tenant shall not give timely written notice agreeing to purchase the Center, Business and Premises, Landlord and Owner shall, thereafter, be free to enter into an agreement to sell the Center, Business and premises on substantially the same terms and conditions and at a price which is equal to or greater than the price contained in the notice to Tenant, and Tenant shall have no further rights hereunder. Tenant's rights under this paragraph shall terminate upon the occurrence of any Event of Default, notwithstanding any cure period or any cure.

IN WITNESS WHEREOF, the parties have duly executed this Lease together with the herein referred to Exhibits which are attached hereto, on the day and year first above written.

**TENANT:**

NEVADA RECEIVERSHIP, a Nevada  
limited liability company

By: Michael J. Signorelli

**LANDLORD:**

THE POWER COMPANY, INC. A  
Nevada corporation

By: [Signature]

**OPERATING SUBLEASE**

THIS OPERATING SUBLEASE ("Lease") is made and entered into this \_\_\_\_\_ day of September, 2006, by and between THE POWER COMPANY, Inc, a Nevada corporation. and Nevada Receivership, LLC, a Nevada limited liability company, hereinafter respectively referred to as Landlord and Tenant without regard to number or gender.

**WITNESSETH**

1. **LEASED PROPERTY.** The Leased hereunder includes the premises situated at 2476 Industrial Road, Las Vegas, Nevada, 89102(the "Premises") together with operating assets and business of Landlord which are part of the business of Landlord operated under the name Crazy Horse Too (the "Business"). As used herein, the Business includes all furniture, fixtures and equipment, leasehold improvements, contracts inventory and cash on hand totaling \$250,000. Tenant accepts the Business and the Premises in their condition as of the execution of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Property or the suitability of the Property for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection of and inquiry regarding the condition of the Property and is not relying on any representations of Landlord or any Broker with respect thereto.

2. **USE.** Landlord hereby subleases Premises and leases the Business to Tenant and Tenant hereby hires from Landlord the Premises and the Business for the purpose of operating a gentleman's club with liquor license as allowed by law and subject to the provisions hereof. Tenant acknowledges that the Business has not been operating since on or about September and that, upon issuance to Tenant of a tavern license or temporary tavern license, Tenant shall immediately reopen the Business and keep and maintain the Business open and operating during the term of this Lease.

3. **TERM.** The term of this Sublease shall be one year subject the early termination provisions herein, but shall be contingent upon the Tenant obtaining a Liquor License from the City of Las Vegas as follows: if the Tenant does not obtain the Liquor License on October 4, 2006, he may at his discretion timely reapply for the same, but in any case the right to purchase the Center, the Premises and the Business pursuant to the terms of Article 50 shall survive the lease 90 for days; in the event that the Tenant does not obtain a Liquor License, he shall receive a one time payment of \$150,000, payable over 3 months, at \$50,000 per month, beginning at end of the 90 period.

4. **RENTAL.** Tenant shall pay to the Landlord as rental for the demised premises the sum of Four Hundred Thousand Dollars (\$400,000) per month, in advance, on the 1st day of each month in lawful money of The United States at such address as shall be supplied by the Landlord. Any rent not received within ten (10) days of the due

Submitted at City Council  
Date 10/4/06 Item 46

date will be subject to late fee equal to Eight Thousand Dollars (\$8,000) and, after the tenth (10<sup>th</sup>) day, an additional late fee of One Thousand Dollars (\$1,000) per day. Should the tenancy commence subsequent to the first day of any month, such rents will be prorated, with a pro-rata reduction based upon the remaining full days left in that month.

5. **SECURITY DEPOSIT.** No Security Deposit shall be required.

6. **PERSONAL PROPERTY TAXES.** Tenant shall pay all taxes charged against the assets of the business, including but not limited to leasehold improvements, trade fixtures, furnishings, equipment, inventory or any other personal property leased hereunder or belonging to Tenant.

7. **INTEREST ON PAST DUE OBLIGATIONS.** Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of fifteen percent (15%) per annum from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. In the event any amount is past due, Landlord shall have the right to apply any payments made first to late charges and fees until the same shall be paid in full and thereafter to other amounts due hereunder. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

8. **WORK DONE TO PREMISES.** Tenant shall notify Landlord in advance about repair construction, alterations or remodeling done to the Premises, including but not any work done to air conditioning or other equipment on the roof of premises, and shall not perform any such work without the written consent of Landlord which consent shall not be unreasonably withheld..

9. **GENERAL.** As and for a specific consideration for the granting of this Lease, it is agreed that:

- A. During all hours of operation while the Premises shall be open for business, an attendant over twenty-one (21) years of age will be continuously present at all such times.
- B. Tenant agrees to obey all applicable laws, regulations and ordinances applicable to the business conducted upon the premises.
- C. Tenant agrees to place no coin operated device on the premises which would violate any statute, ordinance or administrative code.

10. **PARKING AND COMMON FACILITIES.** Landlord covenants that

the common and parking areas ("Common Areas") of the real property of which the Premises are a part (the "Center") shall be available for the non-exclusive use of Tenant, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all of such common and parking areas shall not constitute a violation of this covenant. Landlord reserves the right to change the entrances, exits, traffic lanes and the boundaries and locations of such parking area or areas. This Lease shall be subordinate to any agreement existing as of the date of this Lease or subsequently placed upon the real property of which the demised premises are a part, which agreement provides for reciprocal easements and restrictions pertaining to the common and parking areas, and in the event of conflict between the provisions of such agreement and this Lease, the provisions of said agreement shall prevail.

- A. Tenant, for the use and benefit of Tenant, its agents, employees, customers, licensees and subtenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants of the Center and their agents, employees, customers, licensees and subtenants, to use the Common Areas during the entire term of this Lease, or any extension thereof, for ingress and egress, roadway, sidewalk and automobile parking, provided however Tenant and Tenant's employees shall park their automobiles in those areas designated for employee parking, or at the written request of the owner of the Center ("Owner") shall park their automobiles outside of the shopping center.
- B. The Tenant, in the use of said Common Areas, agrees to comply with all reasonable rules and regulations that the Owner may adopt from time to time for the orderly and proper operation of the Common Areas.
- C. Current parking regulations are as follows:

**PARKING REGULATIONS  
EFFECTIVE AS OF JUNE 1, 2002**

1. **No parking of non-operational vehicles.** It is illegal to leave non-operational vehicles, registered or unregistered, on a street or public thoroughfare or, absent consent of Owner, in the common areas. See LVMC § 11.24.010 and § 11.24.020. Such non-operational vehicles will be towed away at the expense of the vehicle owner.
2. **No parking in common areas during off-hours.** Parking in common areas, by customers, vendors, or others, are permitted only during operating hours.
3. **No parking in fire lanes.** Fire lanes or fire apparatus access roads are designated

for authorized emergency vehicles and fire trucks. Unauthorized parking in fire lanes presents a safety problem, constitutes violations of Clark County Code §§ 13.04.140 and 14.40.030 and Las Vegas Municipal Code § 11.10.160.

**4. No parking outside of designated parking areas.** Parking is limited to those areas clearly designated for parking.

**11. USES PROHIBITED.** Tenant shall not use, or permit said premises, or any part thereof, to be used for any purpose other than the purpose or purposes for which said premises are hereby leased. If Tenant uses the property in such a way so as to cause Owner's insurance rate to increase, Tenant shall be responsible for paying any such increase; nor shall Tenant sell or permit to be kept, used or sold in or about the Premises any property which may be prohibited by standard form of fire insurance policies. Tenant shall not use, store or dispose of any hazardous substances upon the premises, except use and storage of such substances if they are customarily used in Tenant's business, and such use and storage complies with all environmental laws. Hazardous substance means any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property. Tenant shall, at his sole cost, comply with any and all requirements, pertaining to the use of said premises, of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance, covering said building and appurtenances.

**12. ALTERATIONS AND FIXTURES.** Except as provided herein, Tenant shall not make or suffer to be made, any alterations of the demised premises, or any part thereof, without the prior written consent of Landlord, which shall not be unreasonably withheld, and any additions to, or alterations of, said premises, except movable furniture and trade fixtures, shall become at once a part of the realty. Any such alterations shall conform with the requirements of all municipal, state and federal authorities. In the event permission for alterations, additions, or remodeling of the demised premises is granted, and should the Tenant's use, alteration, addition, or remodeling of the demised premises, result in a tax increase for the building of which the demised premises are a part, Tenant shall pay annually any increase tax burden assessed using the tax period of 1998-1999 as the base for all computations.

**13. MAINTENANCE AND REPAIR.** Tenant shall, subject to Landlord's obligations hereinafter provided, at all times during the term hereof, and at Tenant's sole cost and expense, keep, maintain, and repair the building and other improvements upon the demised premises in good and sanitary order and condition (except as hereinafter provided) including without limitation, the maintenance and repair of any store front, doors, window casements, glazing, heating and air conditioning system (if any), plumbing, pipes, electrical wiring and conduits and the portion of the six foot sidewalk in front of, and the thirty foot, more or less, paved area in the rear of, the demised premises. Tenant shall also at its sole cost and expense be responsible for any alterations or

improvements to the demised premises necessitated as a result of the requirement of any municipal, state or federal authority. Tenant hereby waives all right to make repairs at the expense of Landlord. By entering into the demised premises Tenant shall be deemed to have accepted the demised premises as being in good and sanitary order, condition and repair and Tenant agrees on the last day of said term or sooner termination of this Lease to surrender the demised premises with appurtenances, in the same condition as when received, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted. Tenant shall periodically sweep and clean the sidewalks adjacent to the demised premises, as needed. In addition, Tenant shall:

- A. Tenant agrees to clean daily around the doorway of the premises, both inside and outside, and shall from time to time when required, clean windows and floors.
- B. Store all trash and garbage within the demised premises in containers so located as to not create or permit any health or fire hazard and arrange for the regular removal thereof. No refuse, debris, waste or garbage shall be allowed to accumulate in any open area appurtenant to the demised premises. Tenant shall maintain a contract with Republic (or any other trash removal service licenced and authorized to do business in the City of Las Vegas) for the removal of all trash and garbage on at least a weekly basis.
- C. Refrain from burning any papers, trash or garbage of any kind in or about the demised premises.
- D. Refrain from overloading any floor in the demised premises.
- E. Refrain from using or permitting the use of any portion of the demised premises as living quarters, sleeping apartment, lodging rooms, or for any unlawful purpose.
- F. Refrain from keeping or displaying any merchandise or other object on or otherwise obstructing any sidewalks, walkways or areaways.
- G. Refrain from keeping or permitting the keeping of any animals of any kind in, about or upon the demised premises.
- H. Refrain from distributing any handbills or other advertising matter on or about the sidewalks, streets, passageways or common area within or surrounding the commercial center.

- I. Refrain from using or permitting the sidewalk adjacent to the demised premises to be used for any vending machine, amusement device, scale, newsstand, cigar stand, sidewalk shop or other business, occupancy, or undertaking.
- J. Refrain from parking, operating, loading or unloading any truck or other delivery vehicle on any part of the business center other than that portion there of from time to time designated by Landlord.
- K. Refrain from using the plumbing facilities for any other purpose other than that for which they were constructed or disposing of any damaging or injurious substance therein.
- L. Tenant shall not commit, or suffer to be committed, any waste upon the demised premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the building in which the demised premises may be located.
- M. Landlord shall, as herein provided, maintain in good repair the exterior sidewalks but shall not be required to make any repairs to said areas unless and until Tenant has notified Landlord in writing of the need for such repairs. Landlord shall have reasonable time to commence and complete the same.

14. **CONDITION UPON TERMINATION.** Upon the termination of the Lease, unless the same shall terminate upon sale of the Center, the Premises and the Business to the Tenant, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. All assets used in the Business and leased hereunder and all reserves, replacements or additions thereto, including but not limited intangibles, goodwill, customer lists, inventory not less than \$200,000 and cash on hand of \$250,000 shall be returned to Landlord or shall become, as the case may be, the property of the Landlord, free and clear of any liens created by or in favor of Tenant. In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) prior to the expiration of the Lease and to restore the Property to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Property. Tenant shall repair, at Tenant's expense, any damage to the Property caused by the removal of any such machinery or equipment. In no event, however, shall

Tenant remove any of the following materials or equipment (which shall be deemed Landlord's property) without Landlord's prior written consent: any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment and decorations.

15. **COMPLIANCE WITH LAWS.** Tenant shall, at his sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of said premises, and shall faithfully observe in said use all municipal ordinances or rules and state and federal statutes now in force or which shall hereinafter be in force, the judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding by or against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such order or statute in said use, shall be conclusive of that fact as between the Landlord and Tenant.

16. **INSURANCE.** (a) Landlord shall maintain fire and extended coverage insurance throughout the term of this Lease in an amount equal to at least ninety (90%) percent of the replacement value of the building which includes the demised premises, together with such other insurance as may be required by Landlord's lender or by any governmental agency. Tenant hereby waives any right of recovery from Landlord, its officers and employees, and Landlord hereby waives any right of recovery from Tenant, its officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement. Tenant agrees to pay to Landlord its pro-rata share of the cost of said insurance to be determined by the relationship that the gross floor area of the demised premises bears to the total gross floor area of the building or buildings for which such policy relates. In addition should the Tenant's use, alteration, or remodeling of the demised premises, result in a rate increase for the building of which the demised premises are a part, Tenant shall pay annually on the anniversary date of this Lease, as additional rent, a sum equal to that of the additional premium occasioned by said rate increase.

(b) During the Lease Term, Tenant shall obtain insurance for all assets which are a part of the Business, including, leasehold improvement, furniture, fixtures or equipment and inventory or building improvements installed by Tenant on the Property. During the Lease Term, Tenant shall also maintain a rental income insurance policy, with loss payable to Landlord, in an amount equal to one year's Base Rent, plus estimated real property taxes and insurance premiums. Tenant shall be liable for the payment of any deductible amount under Tenant's insurance policies maintained. Tenant shall not do or permit anything to be done which invalidates any such insurance policies.

(c) Tenant shall pay all premiums for the insurance policies described here (whether obtained by Landlord or Tenant) within fifteen (15) days after Tenant's receipt of a copy of the premium statement or other evidence of the amount due, except Landlord shall pay all premiums for non-primary comprehensive public liability insurance which Landlord elects to. If insurance policies maintained by Landlord cover improvements on the Center, Landlord shall deliver to Tenant a statement of the premium applicable to the Property showing in reasonable detail how Tenant's share of the premium was computed. If the Lease Term expires before the expiration of an insurance policy maintained by Landlord, Tenant shall be liable for Tenant's prorated share of the insurance premiums.

(d) General Insurance Provisions.

(i) Any insurance which Tenant is required to maintain under this Lease shall include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days written notice prior to any cancellation or modification of such coverage.

(ii) If Tenant fails to deliver any policy, certificate or renewal to Landlord required under this Lease within the prescribed time period or if any such policy is cancelled or modified during the Lease Term without Landlord's consent, Landlord may obtain such insurance, in which case Tenant shall reimburse Landlord for the cost of such insurance within fifteen (15) days after receipt of a statement that indicates the cost of such insurance.

(iii) Tenant shall maintain all insurance required under this Lease with companies holding a "General Policy Rating" of A-12 or better, as set forth in the most current issue of "Best Key Rating Guide". Landlord and Tenant acknowledge the insurance markets are rapidly changing and that insurance in the form and amounts described herein may not be available in the future. Tenant acknowledges that the insurance described herein is for the primary benefit of Landlord. If at any time during the Lease Term, Tenant is unable to maintain the insurance required under the Lease, Tenant shall nevertheless maintain insurance coverage which is customary and commercially reasonable in the insurance industry for Tenant's type of business, as that coverage may change from time to time. Landlord makes no representation as to the adequacy of such insurance to protect Landlord's or Tenant's interests. Therefore, Tenant shall obtain any such additional property or liability insurance which Tenant deems necessary to protect Landlord and Tenant.

(iv) Unless prohibited under any applicable insurance policies maintained, Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Upon obtaining the required policies of insurance, Landlord and Tenant shall give notice to the insurance carriers of this mutual waiver of subrogation.

17. **INDEMNIFICATION OF LANDLORD - LIABILITY INSURANCE BY TENANT.** Tenant, as a material part of the consideration to be rendered to Landlord under this Lease, hereby waives all claims against Landlord and Owner for damage to goods, wares and merchandise, in, upon or about said premises and for injuries to persons in or about said premises, from any causes arising at any time, and Tenant will hold Landlord and Owner exempt and harmless from any damage or injury to any person, or the goods, wares, and merchandise of any person, arising from the use of the premises by Tenant, or from the failure of Tenant to keep the premises in good condition and repair, as herein provided.

During the entire term of this Lease, the Tenant shall, at the Tenant's sole cost and expense, but for the mutual benefit of Landlord, Owner and Tenant, maintain general public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the demised premises and on any sidewalks directly adjacent to the demised premises. The limitation of liability of such insurance shall be not less than One Million and No/100 (\$1,000,000.00) Dollars in respect to injury or death of one person and to the limit of not less than Three Million and No/100 (\$3,000,000.00) Dollars in respect to any one accident and to the limit of not less than Two Hundred Fifty Thousand and No/100 (\$250,000.00) Dollars in respect to property damage. All such policies of insurance shall be issued in the name of Tenant, Landlord and Owner and for the mutual and joint benefit and protection of the parties, and such policies of insurance or copies thereof shall be delivered to the Landlord and Owner.

18. **INDEMNIFICATION OF TENANT - CLAIMS AND SUITS ARISING BEFORE EXECUTION OF LEASE.** Landlord, as a material part of the consideration to be rendered to Tenant under this Lease, hereby agrees to fully indemnify and hold harmless the Tenant from any and all cost, fee or judgment, irrespective of its type or origin, including all reasonable attorney's fees, resulting from any claim or suit that arose, accrued or originated before the execution of this Lease, irrespective of when the Tenant receives notice of such claim or suit. Such costs and fees shall be immediately due and payable upon notice of the same to Landlord, with the Tenant retaining the right to appoint counsel, but at no cost to him, in conjunction with the Landlord.

19. **FREE FROM LIENS.** Tenant shall keep the demised premises and the property in which the demised premises are situated free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant. Tenant shall take all reasonable steps necessary to remove any lien placed upon the property.

20. **ABANDONMENT.** Tenant shall not vacate or abandon the demised premises at any time during the term of this Lease; and if Tenant shall abandon, vacate or surrender the demised premises or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the demised premises shall be deemed to be abandoned, at the option of landlord, except such property as may be mortgaged to

Landlord.

21. **SIGNS AND AUCTIONS.** Tenant shall not place or permit to be placed any sign upon the exterior or in the windows of the demised premises without Landlord's prior written consent, nor shall Tenant change the color or exterior appearance of the demised premises without Landlord's prior written consent. Landlord will provide to Tenant an approved sign criteria drawing, which shall be submitted to Landlord for Landlord's written approval. Tenant agrees to install a sign in accordance with the approved sign construction drawing within thirty (30) days after the commencement of the term of this Lease.

Tenant shall not without Landlord's prior written consent display or sell merchandise outside the defined exterior walls and permanent doorways of the demised premises. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the demised premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other solvency proceeding.

22. **UTILITIES.** Tenant shall pay before delinquency all charges for water, gas, heat, electricity, sewer, power, telephone service and all other services of utilities used in, upon, or about the demised premises by Tenant or any of its subtenants, licensees, or concessionaires during the term of this Lease. If any utility is not separately metered Tenant agrees to reimburse Landlord for the cost of said service.

23. **ENTRY AND INSPECTION.** Tenant shall permit Landlord, Owner and their agents to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, or for the purpose of posting notices or non-liability for alterations, additions or repairs, or for the purpose of placing upon the property in which the premises are located any usual or ordinary "For Sale" signs. Landlord shall be permitted to do any of the above without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the premises thereby occasioned. Tenant shall permit Landlord, at any time within thirty (30) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "For Lease" signs and during such thirty (30) day period Landlord or his agents may, during normal business hours, enter upon said premises and exhibit same to prospective Tenants.

24. **DAMAGE AND DESTRUCTION OF PREMISES.** In the event of (a) partial destruction of said premises or the building containing same during said term which requires repairs to either said premises or said building, or (b) said premises or said

building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either said premises or said building, Landlord shall forthwith make said repairs provided Tenant gives to Landlord thirty (30) days written notice of the necessity therefor. No such partial destruction (including any destruction necessary in order to make repairs required by any declaration made by any public authority) shall in any way annul or void this Lease except that Tenant shall be entitled to a proportionate reduction of minimum rental while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in said premises.

The foregoing to the contrary notwithstanding, if the building is damaged or destroyed at any time during the term hereof to an extent of more than twenty-five (25%) percent of its then replacement cost (excluding foundation(s)) as a result of a casualty not insured against, Landlord may within thirty (30) days following the date of such destruction terminate this Lease upon written notice to Tenant. For purposes of the preceding, any casualty which is only partially insured due to limits on insurance, exclusions from coverage or deductible shall be deemed a casualty not insured against. If Landlord does not elect to so terminate because of said uninsured casualty, Landlord shall promptly rebuild and repair said premises and Tenant's rental obligation shall be proportionately reduced as herein above provided.

25. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease, or any interest therein, and shall not sublet the demised premises or any part thereof, or any right or privilege appurtenant thereto, or permit any other person (the agents and servants of Tenant excepted) to occupy or use the demised premises, or any portion thereof, without first obtaining the written consent of Landlord.

The specific assignment, by written consent of the Landlord, to a single subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to an assignment shall not release the original named Tenant from liability for the continued performance of the terms and provisions on the part of Tenant to be kept and performed, unless Landlord specifically releases the original named Tenant from said liability.

Any assignment or subletting without the prior written consent of Landlord shall be void, and shall, at the option of Landlord terminate this Lease. Neither this Lease nor any interest therein shall be assignable, as to the interest of Tenant, by operation of law, without the prior written consent of Landlord.

It is explicitly agreed and understood that if the Tenant forms and/or hires an operator, or management team, this shall not constitute a sublease under this agreement.

26. **DEFAULT.** It is agreed that should Tenant be in default in any of the

economic terms or conditions of this Lease, then while such default continues, Landlord shall have a lien, and neither the whole nor any part of the furniture, equipment, supplies or other property of Tenant located in the premises shall be removed therefrom, except with the written consent of Landlord first obtained, and Landlord shall have the right and privilege, at his option, to take and retain possession of said furniture, equipment and supplies, to store the same in such place or warehouse as may be selected by Landlord, at the expense and risk of Tenant.

Each of the following shall be deemed an Event of Default:

- A. Default in the payment of rent or other payments hereunder.
- B. Default in the performance or observance of any of the terms and condition of this Lease.
- C. Failure to keep the premises occupied and open for business on a 24 hour per day, seven day per week basis, except as required for remodeling, refurbishing or repairs.
- D. Abandonment of the premises.
- E. Filing or execution of a petition of bankruptcy by or against Tenant, to the extent said filing causes Tenant to fail to pay rent as due.
- F. Filing of a petition or answer seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, to the extent said filing causes Tenant to fail to pay rent as due.
- G. Adjudication of Tenant as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense, to the extent said adjudication causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- H. An assignment for the benefit of creditors whether by trust mortgage or otherwise, which has not been approved by Landlord; said approval not to be unreasonably withheld.
- I. A petition or other proceeding by or against the Tenant for, or the appointment of, a trustee, receiver, guardian, conservator or liquidator of Tenant with respect to all or substantially all of their property, to the extent said petition causes either a failure to pay

rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.

- J. A petition or other proceeding by or against Tenant for their dissolution or liquidation, or the taking of possession of the property of the Tenant by any governmental authority in connection with dissolution or liquidation, to the extent said petition causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- K. The taking by any person of the leasehold created thereby or any part thereof upon execution, attachment or other process of law or equity.

27. **DEFAULT REMEDIES.** Upon occurrence of any Event of Default, Landlord may, at his option, give Notice to Tenant that this Lease shall terminate upon the date specified in the notice, which date shall not be earlier than five (5) days after the giving of such notice, in addition to any other remedy or right given hereunder or by law.

In the event of Tenant's breach of any of the Articles or conditions contained in this agreement, the Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the rent herein provided, but additional rent at the rate of one-thirtieth (1/30) of the minimum monthly rent herein provided for each and every day that the Tenant shall fail to conduct its business as herein provided said additional rent shall be deemed to be in lieu of any percentage rent that might have been earned during such period of the Tenant's failure to conduct its business as herein provided.

28. **REPOSSESSION.** Upon termination of this Lease as herein above provided, or pursuant to statute, or by summary proceedings or otherwise, Landlord may enter forthwith without further demand or notice upon any part of the premises in the name of the whole, if he has not therefore done so, and resume possession either by summary proceedings, or by action at law or in equity or by force or otherwise, as Landlord may determine, without being liable in trespass or for any damages. In no event shall such reentry or resumption of possession or reletting as hereafter provided be deemed to be an acceptance or surrender of this Lease or a waiver of the rights or remedies of Landlord hereunder.

29. **RELETTING.** Upon termination of this Lease in any manner above provided, Landlord shall use reasonable efforts to relet the premises. Landlord shall be deemed to use reasonable efforts if he leases the whole or any part of the premises, separately or with other premises, for any period equal to or less than, or extending beyond, the remainder of the original term, for any sum or to any tenant or for any use it

deems reasonably satisfactory or appropriate, and refusal to let to any person or for any use Landlord deems objectionable, or for any use not expressly permitted under Section 5 of this Lease.

30. **DAMAGES.** Upon termination of this Lease in any manner above provided, or by summary proceedings or otherwise, Tenant shall pay to Landlord forthwith without demand or notice the sum of the following:

- A. All rent, additional rent and other payments accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs.
- B. The cost of making all repairs, and alterations required to be made by Tenant hereunder, and of performing all covenants of Tenant relating to the condition of the premises during the term and upon expiration or sooner termination of this Lease, such cost to be deemed prima facie to be the cost estimated by a reputable architect or contractor selected by Landlord or the amounts actually expended or incurred thereafter by Landlord.

- C. An amount equal to "liquidation damages".

"Liquidation Damages" mean an amount equal to the excess of the rent, additional rent and other payments reserved in this Lease, for the portion of the term remaining after termination of the Lease (hereinafter referred to as the "unexpired term") over the then fair and reasonable rental value of the premises for such period of the term.

- D. Cost of obtaining possession of the premises.
- E. Removal and storage of Tenant's or other occupant's property.
- F. Care, maintenance and repair of the premises while vacant.
- G. Reletting the whole or any part of the premises (which relating may be for a period of periods of time less than the unexpired term hereof or extending beyond the term thereof).
- H. The cost of restoring the premises to a rentable condition.

Such costs and expenses shall be deemed prima facie to be the amounts thereof invoiced to Landlord or actually expended or incurred therefor by Landlord.

31. **SURRENDER OF LEASE.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to him of any or all of such subleases or subtenancies.

32. **SALE OF PREMISES BY LANDLORD.** In the event of any sale of the Premises by Owner and/or a sale by Landlord of the Business, to any party other than the Tenant, purchaser shall be bound by all the terms and conditions of this Lease except that any such purchaser shall have the right, upon 30 days written notice, to terminate this Lease, in which case all amounts received as profit to the Tenant shall be calculated, up to and including the date of termination, and if such amounts total less than \$1,500,000, Tenant shall receive a lump sum payment upon the date of termination equal to the difference between such net sums already received and \$1,500,000. For purposes of the foregoing, profit shall include any and all payments, whether styled as management fees salaries or other compensation, paid by Tenant to any person or entity affiliated with Tenant or measured by the income of the Business.

33. **HOURS OF BUSINESS.** Subject to the provisions of Article 23 hereof, Tenant shall continuously during the entire term hereof conduct and carry on the Business in the Premises and shall keep the Premises open for business and cause the Business to be conducted therein to be open and operating on a 24 hour 7 day per week basis; provided, however, that this provision shall not apply if the demised premises should be closed and the business of Tenant temporarily discontinued therein on account of remodeling, refurbishing, repair, strikes, lockouts or similar causes beyond the reasonable control of Tenant.

34. **ESTOPPEL CERTIFICATES.** (a) Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to Tenant or the Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Property may require. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Landlord may give any such statement by Tenant to any prospective purchaser or encumbrancer of the Property. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

(b) If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease

have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts

35. **OPERATION OF BUSINESS.** Tenant shall, at its sole cost and expense, use its best efforts to obtain the required licenses to re-open the Business as soon as practicable in the circumstances. Upon obtaining such licenses and re-opening the Business, Tenant shall operate the Business as provided herein, in substantially the same manner as the Business was being operated on the date it was closed and in accordance with all local, state and federal laws and regulations applicable thereto. Unless prohibited by any such law or regulation, Tenant shall assume all contracts of the Landlord with third party contractors, save and except for and any all employment contracts and/or agreements. Further, per the specific direction of the City of Las Vegas, no Defendant associated with Fed Ct. Case No. CR-S-05-0017-KJD(LRL), or any related case, shall be employed at or allowed upon the premises.

36. **FEDERAL ACCESS.** Tenant acknowledges that the federal government has certain rights of access to the Premises and the books and records of the Business pursuant to a certain Plea Memorandum between the federal government and Landlord and Tenant agrees to all such provisions thereof.

37. **ATTORNEY'S FEES.** If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the demised premises by reason of any act or omission of Tenant, then, Tenant shall hold harmless landlord from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by Landlord in such litigation.

If the tenant is involuntarily made a party defendant to any litigation concerning this lease or the demised premises by reason of any act or omission of landlord, then, landlord shall hold harmless tenant from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by tenant in such litigation. If the tenant incurs any cost or fee related to any fine, fee, debt or cost, of any kind, or from any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, then, landlord shall hold harmless tenant from all liabilities, cost and/or fees, of any kind, by reason thereof, including reasonable attorney's fees and all costs incurred by tenant.

If either Landlord or Tenant shall commence any legal proceedings against the other with respect to any of the terms and conditions of this Lease, the non-prevailing party therein shall pay to the other all expenses of said litigation, including a reasonable

hereto agree that the State of Nevada is the proper jurisdiction for litigation of any matters relating to this Lease and service may be effectuated in any manner allowed by law.

38. **HOLDING OVER.** Tenant shall vacate the Property upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify Landlord against all damages which Landlord incurs from Tenant's delay in vacating the Property. Any holding over after the expiration of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month to month, cancelable upon thirty (30) days written notice, and at a rental which is increased by 25% and upon terms and conditions as existed during the last year of the term hereof.

39. **NOTICE.** Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified mail, addressed as follows:

Landlord:

**THE POWER COMPANY, INC.**  
**2476 Industrial Avenue**  
**Las Vegas, Nevada 89102**

Tenant:

**NEVADA RECEIVERSHIP**  
**302 Carson Ave, Ste 802**  
**Las Vegas, Nevada 89101**

Either party may change such address by written notice by certified mail to the other.

40. **SUCCESSORS IN INTEREST.** The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder, save that any licensing obtained by the Tenant shall be non transferable without the Tenant's agreement in writing.

41. **TENANT'S PERFORMANCE.** In the event Tenant shall fail within any time limits which may be provided herein to complete any work or perform any other requirements provided to be performed by Tenant prior to the commencement of the term hereof, or in the event Tenant shall cause a delay in the completion of any work, Landlord may send Tenant written notice of said default and if said default is not corrected within ten (10) days thereafter, Landlord may by written notice prior to the curing of said default terminate this Lease. Landlord shall be entitled to retain as liquidated damages all deposits made hereunder and such improvements as Tenant may have annexed to the realty that cannot be removed without damage thereto.

42. **FORCE MAJEURE.** If either party hereto shall be delayed or prevented from the performance of any act hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations,

or any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Article 41 contained shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder except as may be expressly provided elsewhere in this Lease. Should any closure and/or restriction of or upon the business exceed thirty days in duration, the Tenant, at his discretion, may terminate this lease without penalty or cost.

43. **PARTIAL INVALIDITY.** If any term, covenant, condition of provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereof.

44. **MARGINAL CAPTIONS.** The various headings and numbers herein and the grouping of the provisions of this Lease into separate Articles and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

45. **TIME.** Time is of the essence of this Lease.

46. **SUBORDINATION, ATTORNMENT.** This Lease, at Landlord's option, shall be subordinate to the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the demised premises are a part, and to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, that as to the lien of any such deed of trust or mortgage Tenant's right to quiet possession of the premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the demised premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

Within ten (10) days after request therefor by Landlord, or in the event that upon any sale, assignment, or hypothecation of the demised premises or the land thereunder by Landlord, an estoppel certificate and/or financial statement shall be requested of Tenant, Tenant agrees to deliver such financial statement, and to deliver such estoppel certificate (in recordable form) addressed to any such proposed mortgagee or purchaser or to the landlord certifying the requested information, including among other things the dates of commencement and termination of this Lease, the amounts of security deposits, and that this Lease is in full force and effect (if such be the case) and that there are no differences, offsets or defaults of Landlord, or noting such differences, offsets or defaults as actually exist. Tenant shall be liable for any loss or liability resulting from any incorrect information certified, and such mortgagee and purchaser shall have the right to rely on such estoppel certificate and financial statement.

47. **CONDEMNATION.** If the event of a condemnation or a transfer in lieu thereof twenty (20%) percent or more of the demised premises is taken, or in the event as a result of such taking or transfer in lieu thereof Landlord is unable to provide the parking required by Article 10 hereof, Landlord or Tenant may, upon written notice given within thirty (30) days after such taking or transfer in lieu thereof, terminate this Lease. Tenant shall not be entitled to share in any portion of the award and Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall, however, have the right to claim and recover, only from the condemning authority (but not from Landlord) any amounts necessary to reimburse Tenant for the cost of removing stock and fixtures, moving the business, loss of business, et cetera.

48. **NO ORAL AGREEMENTS.** This Lease covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein and there are no oral agreements or implied covenants.

49. **HOLD HARMLESS.** Tenant agrees that Landlord shall in no event be liable in damages or otherwise to Tenant for any acts, conduct, negligence or carelessness, of any other tenant or tenants occupying other portions of the building within which the demised premises are located, and in this connection, Tenant specifically releases Landlord of and from all and any damages which Tenant may sustain by reason of the acts, conduct, negligence or carelessness of other occupants of said building or adjoining buildings wherein the demised premises are located.

50. **PURCHASE AGREEMENT.** In consideration of the foregoing tenancy, the Landlord, and all other parties in interest, hereby grant to Tenant an option to purchase the Center, Premises and Business pursuant to the terms of the Purchase and Sale Agreement attached hereto subject to the terms therein, and a right of first refusal as set forth in this Paragraph 50, which shall apply if Tenant does not exercise the option as provided in the Purchase and Sale Agreement. If Landlord and the Owner shall receive an offer from a third party to purchase the Business, Premises and the Center, Landlord

and Owner shall, prior to accepting any such offer, give Tenant written notice of the applicable price, terms and conditions contained in such offer. Tenant shall have 72 hours from receipt of such written notice to agree, in a written notice to Landlord and Owner, to purchase the Center, Business and Premises at the price and on the terms and conditions contained in such offer. If Tenant shall not give timely written notice agreeing to purchase the Center, Business and Premises, Landlord and Owner shall, thereafter, be free to enter into an agreement to sell the Center, Business and premises on substantially the same terms and conditions and at a price which is equal to or greater than the price contained in the notice to Tenant, and Tenant shall have no further rights hereunder. Tenant's rights under this paragraph shall terminate upon the occurrence of any Event of Default, notwithstanding any cure period or any cure.

IN WITNESS WHEREOF, the parties have duly executed this Lease together with the herein referred to Exhibits which are attached hereto, on the day and year first above written.

**TENANT:**

NEVADA RECEIVERSHIP, a Nevada  
limited liability company

By: Michael J. Signorelli

**LANDLORD:**

THE POWER COMPANY, INC. A  
Nevada corporation

By: [Signature]

**OPERATING SUBLEASE**

THIS OPERATING SUBLEASE ("Lease") is made and entered into this \_\_\_\_\_ day of September, 2006, by and between THE POWER COMPANY, Inc, a Nevada corporation. and Nevada Receivership, LLC, a Nevada limited liability company, hereinafter respectively referred to as Landlord and Tenant without regard to number or gender.

**WITNESSETH**

1. **LEASED PROPERTY.** The Leased hereunder includes the premises situated at 2476 Industrial Road, Las Vegas, Nevada, 89102(the "Premises") together with operating assets and business of Landlord which are part of the business of Landlord operated under the name Crazy Horse Too (the "Business"). As used herein, the Business includes all furniture, fixtures and equipment, leasehold improvements, contracts inventory and cash on hand totaling \$250,000. Tenant accepts the Business and the Premises in their condition as of the execution of the Lease, subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Property or the suitability of the Property for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection of and inquiry regarding the condition of the Property and is not relying on any representations of Landlord or any Broker with respect thereto.

2. **USE.** Landlord hereby subleases Premises and leases the Business to Tenant and Tenant hereby hires from Landlord the Premises and the Business for the purpose of operating a gentleman's club with liquor license as allowed by law and subject to the provisions hereof. Tenant acknowledges that the Business has not been operating since on or about September and that, upon issuance to Tenant of a tavern license or temporary tavern license, Tenant shall immediately reopen the Business and keep and maintain the Business open and operating during the term of this Lease.

3. **TERM.** The term of this Sublease shall be one year subject the early termination provisions herein, but shall be contingent upon the Tenant obtaining a Liquor License from the City of Las Vegas as follows: if the Tenant does not obtain the Liquor License on October 4, 2006, he may at his discretion timely reapply for the same, but in any case the right to purchase the Center, the Premises and the Business pursuant to the terms of Article 50 shall survive the lease 90 for days; in the event that the Tenant does not obtain a Liquor License, he shall receive a one time payment of \$150,000, payable over 3 months, at \$50,000 per month, beginning at end of the 90 period.

4. **RENTAL.** Tenant shall pay to the Landlord as rental for the demised premises the sum of Four Hundred Thousand Dollars (\$400,000) per month, in advance, on the 1st day of each month in lawful money of The United States at such address as shall be supplied by the Landlord. Any rent not received within ten (10) days of the due

Submitted at City Council  
Date 10/4/06 Item 46

date will be subject to late fee equal to Eight Thousand Dollars (\$8,000) and, after the tenth (10<sup>th</sup>) day, an additional late fee of One Thousand Dollars (\$1,000) per day. Should the tenancy commence subsequent to the first day of any month, such rents will be prorated, with a pro-rata reduction based upon the remaining full days left in that month.

5. **SECURITY DEPOSIT.** No Security Deposit shall be required.

6. **PERSONAL PROPERTY TAXES.** Tenant shall pay all taxes charged against the assets of the business, including but not limited to leasehold improvements, trade fixtures, furnishings, equipment, inventory or any other personal property leased hereunder or belonging to Tenant.

7. **INTEREST ON PAST DUE OBLIGATIONS.** Any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of fifteen percent (15%) per annum from the due date of such amount. However, interest shall not be payable on late charges to be paid by Tenant under this Lease. The payment of interest on such amounts shall not excuse or cure any default by Tenant under this Lease. In the event any amount is past due, Landlord shall have the right to apply any payments made first to late charges and fees until the same shall be paid in full and thereafter to other amounts due hereunder. If the interest rate specified in this Lease is higher than the rate permitted by law, the interest rate is hereby decreased to the maximum legal interest rate permitted by law.

8. **WORK DONE TO PREMISES.** Tenant shall notify Landlord in advance about repair construction, alterations or remodeling done to the Premises, including but not any work done to air conditioning or other equipment on the roof of premises, and shall not perform any such work without the written consent of Landlord which consent shall not be unreasonably withheld..

9. **GENERAL.** As and for a specific consideration for the granting of this Lease, it is agreed that:

- A. During all hours of operation while the Premises shall be open for business, an attendant over twenty-one (21) years of age will be continuously present at all such times.
- B. Tenant agrees to obey all applicable laws, regulations and ordinances applicable to the business conducted upon the premises.
- C. Tenant agrees to place no coin operated device on the premises which would violate any statute, ordinance or administrative code.

10. **PARKING AND COMMON FACILITIES.** Landlord covenants that

the common and parking areas ("Common Areas") of the real property of which the Premises are a part (the "Center") shall be available for the non-exclusive use of Tenant, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all of such common and parking areas shall not constitute a violation of this covenant. Landlord reserves the right to change the entrances, exits, traffic lanes and the boundaries and locations of such parking area or areas. This Lease shall be subordinate to any agreement existing as of the date of this Lease or subsequently placed upon the real property of which the demised premises are a part, which agreement provides for reciprocal easements and restrictions pertaining to the common and parking areas, and in the event of conflict between the provisions of such agreement and this Lease, the provisions of said agreement shall prevail.

- A. Tenant, for the use and benefit of Tenant, its agents, employees, customers, licensees and subtenants, shall have the non-exclusive right in common with Landlord, and other present and future owners, tenants of the Center and their agents, employees, customers, licensees and subtenants, to use the Common Areas during the entire term of this Lease, or any extension thereof, for ingress and egress, roadway, sidewalk and automobile parking, provided however Tenant and Tenant's employees shall park their automobiles in those areas designated for employee parking, or at the written request of the owner of the Center ("Owner") shall park their automobiles outside of the shopping center.
- B. The Tenant, in the use of said Common Areas, agrees to comply with all reasonable rules and regulations that the Owner may adopt from time to time for the orderly and proper operation of the Common Areas.
- C. Current parking regulations are as follows:

**PARKING REGULATIONS  
EFFECTIVE AS OF JUNE 1, 2002**

1. **No parking of non-operational vehicles.** It is illegal to leave non-operational vehicles, registered or unregistered, on a street or public thoroughfare or, absent consent of Owner, in the common areas. See LVMC § 11.24.010 and § 11.24.020. Such non-operational vehicles will be towed away at the expense of the vehicle owner.
2. **No parking in common areas during off-hours.** Parking in common areas, by customers, vendors, or others, are permitted only during operating hours.
3. **No parking in fire lanes.** Fire lanes or fire apparatus access roads are designated

for authorized emergency vehicles and fire trucks. Unauthorized parking in fire lanes presents a safety problem, constitutes violations of Clark County Code §§ 13.04.140 and 14.40.030 and Las Vegas Municipal Code § 11.10.160.

**4. No parking outside of designated parking areas.** Parking is limited to those areas clearly designated for parking.

**11. USES PROHIBITED.** Tenant shall not use, or permit said premises, or any part thereof, to be used for any purpose other than the purpose or purposes for which said premises are hereby leased. If Tenant uses the property in such a way so as to cause Owner's insurance rate to increase, Tenant shall be responsible for paying any such increase; nor shall Tenant sell or permit to be kept, used or sold in or about the Premises any property which may be prohibited by standard form of fire insurance policies. Tenant shall not use, store or dispose of any hazardous substances upon the premises, except use and storage of such substances if they are customarily used in Tenant's business, and such use and storage complies with all environmental laws. Hazardous substance means any hazardous waste, substance or toxic materials regulated under any environmental laws or regulations applicable to the property. Tenant shall, at his sole cost, comply with any and all requirements, pertaining to the use of said premises, of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance, covering said building and appurtenances.

**12. ALTERATIONS AND FIXTURES.** Except as provided herein, Tenant shall not make or suffer to be made, any alterations of the demised premises, or any part thereof, without the prior written consent of Landlord, which shall not be unreasonably withheld, and any additions to, or alterations of, said premises, except movable furniture and trade fixtures, shall become at once a part of the realty. Any such alterations shall conform with the requirements of all municipal, state and federal authorities. In the event permission for alterations, additions, or remodeling of the demised premises is granted, and should the Tenant's use, alteration, addition, or remodeling of the demised premises, result in a tax increase for the building of which the demised premises are a part, Tenant shall pay annually any increase tax burden assessed using the tax period of 1998-1999 as the base for all computations.

**13. MAINTENANCE AND REPAIR.** Tenant shall, subject to Landlord's obligations hereinafter provided, at all times during the term hereof, and at Tenant's sole cost and expense, keep, maintain, and repair the building and other improvements upon the demised premises in good and sanitary order and condition (except as hereinafter provided) including without limitation, the maintenance and repair of any store front, doors, window casements, glazing, heating and air conditioning system (if any), plumbing, pipes, electrical wiring and conduits and the portion of the six foot sidewalk in front of, and the thirty foot, more or less, paved area in the rear of, the demised premises. Tenant shall also at its sole cost and expense be responsible for any alterations or

improvements to the demised premises necessitated as a result of the requirement of any municipal, state or federal authority. Tenant hereby waives all right to make repairs at the expense of Landlord. By entering into the demised premises Tenant shall be deemed to have accepted the demised premises as being in good and sanitary order, condition and repair and Tenant agrees on the last day of said term or sooner termination of this Lease to surrender the demised premises with appurtenances, in the same condition as when received, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted. Tenant shall periodically sweep and clean the sidewalks adjacent to the demised premises, as needed. In addition, Tenant shall:

- A. Tenant agrees to clean daily around the doorway of the premises, both inside and outside, and shall from time to time when required, clean windows and floors.
- B. Store all trash and garbage within the demised premises in containers so located as to not create or permit any health or fire hazard and arrange for the regular removal thereof. No refuse, debris, waste or garbage shall be allowed to accumulate in any open area appurtenant to the demised premises. Tenant shall maintain a contract with Republic (or any other trash removal service licenced and authorized to do business in the City of Las Vegas) for the removal of all trash and garbage on at least a weekly basis.
- C. Refrain from burning any papers, trash or garbage of any kind in or about the demised premises.
- D. Refrain from overloading any floor in the demised premises.
- E. Refrain from using or permitting the use of any portion of the demised premises as living quarters, sleeping apartment, lodging rooms, or for any unlawful purpose.
- F. Refrain from keeping or displaying any merchandise or other object on or otherwise obstructing any sidewalks, walkways or areaways.
- G. Refrain from keeping or permitting the keeping of any animals of any kind in, about or upon the demised premises.
- H. Refrain from distributing any handbills or other advertising matter on or about the sidewalks, streets, passageways or common area within or surrounding the commercial center.

- I. Refrain from using or permitting the sidewalk adjacent to the demised premises to be used for any vending machine, amusement device, scale, newsstand, cigar stand, sidewalk shop or other business, occupancy, or undertaking.
- J. Refrain from parking, operating, loading or unloading any truck or other delivery vehicle on any part of the business center other than that portion there of from time to time designated by Landlord.
- K. Refrain from using the plumbing facilities for any other purpose other than that for which they were constructed or disposing of any damaging or injurious substance therein.
- L. Tenant shall not commit, or suffer to be committed, any waste upon the demised premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the building in which the demised premises may be located.
- M. Landlord shall, as herein provided, maintain in good repair the exterior sidewalks but shall not be required to make any repairs to said areas unless and until Tenant has notified Landlord in writing of the need for such repairs. Landlord shall have reasonable time to commence and complete the same.

14. **CONDITION UPON TERMINATION.** Upon the termination of the Lease, unless the same shall terminate upon sale of the Center, the Premises and the Business to the Tenant, Tenant shall surrender the Premises to Landlord, broom clean and in the same condition as received except for ordinary wear and tear which Tenant was not otherwise obligated to remedy under any provision of this Lease. All assets used in the Business and leased hereunder and all reserves, replacements or additions thereto, including but not limited intangibles, goodwill, customer lists, inventory not less than \$200,000 and cash on hand of \$250,000 shall be returned to Landlord or shall become, as the case may be, the property of the Landlord, free and clear of any liens created by or in favor of Tenant. In addition, Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) prior to the expiration of the Lease and to restore the Property to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the expiration or earlier termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Property. Tenant shall repair, at Tenant's expense, any damage to the Property caused by the removal of any such machinery or equipment. In no event, however, shall

Tenant remove any of the following materials or equipment (which shall be deemed Landlord's property) without Landlord's prior written consent: any power wiring or power panels; lighting or lighting fixtures; wall coverings; drapes, blinds or other window coverings; carpets or other floor coverings; heaters or any other heating or air conditioning equipment; fencing or security gates; or other similar building operating equipment and decorations.

15. **COMPLIANCE WITH LAWS.** Tenant shall, at his sole cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of said premises, and shall faithfully observe in said use all municipal ordinances or rules and state and federal statutes now in force or which shall hereinafter be in force, the judgment of any court of competent jurisdiction, or the admission of Tenant in any action or proceeding by or against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such order or statute in said use, shall be conclusive of that fact as between the Landlord and Tenant.

16. **INSURANCE.** (a) Landlord shall maintain fire and extended coverage insurance throughout the term of this Lease in an amount equal to at least ninety (90%) percent of the replacement value of the building which includes the demised premises, together with such other insurance as may be required by Landlord's lender or by any governmental agency. Tenant hereby waives any right of recovery from Landlord, its officers and employees, and Landlord hereby waives any right of recovery from Tenant, its officers or employees, for any loss or damage (including consequential loss) resulting from any of the perils insured against in the standard form fire insurance policy with extended coverage endorsement. Tenant agrees to pay to Landlord its pro-rata share of the cost of said insurance to be determined by the relationship that the gross floor area of the demised premises bears to the total gross floor area of the building or buildings for which such policy relates. In addition should the Tenant's use, alteration, or remodeling of the demised premises, result in a rate increase for the building of which the demised premises are a part, Tenant shall pay annually on the anniversary date of this Lease, as additional rent, a sum equal to that of the additional premium occasioned by said rate increase.

(b) During the Lease Term, Tenant shall obtain insurance for all assets which are a part of the Business, including, leasehold improvement, furniture, fixtures or equipment and inventory or building improvements installed by Tenant on the Property. During the Lease Term, Tenant shall also maintain a rental income insurance policy, with loss payable to Landlord, in an amount equal to one year's Base Rent, plus estimated real property taxes and insurance premiums. Tenant shall be liable for the payment of any deductible amount under Tenant's insurance policies maintained. Tenant shall not do or permit anything to be done which invalidates any such insurance policies.

(c) Tenant shall pay all premiums for the insurance policies described here (whether obtained by Landlord or Tenant) within fifteen (15) days after Tenant's receipt of a copy of the premium statement or other evidence of the amount due, except Landlord shall pay all premiums for non-primary comprehensive public liability insurance which Landlord elects to. If insurance policies maintained by Landlord cover improvements on the Center, Landlord shall deliver to Tenant a statement of the premium applicable to the Property showing in reasonable detail how Tenant's share of the premium was computed. If the Lease Term expires before the expiration of an insurance policy maintained by Landlord, Tenant shall be liable for Tenant's prorated share of the insurance premiums.

(d) General Insurance Provisions.

(i) Any insurance which Tenant is required to maintain under this Lease shall include a provision which requires the insurance carrier to give Landlord not less than thirty (30) days written notice prior to any cancellation or modification of such coverage.

(ii) If Tenant fails to deliver any policy, certificate or renewal to Landlord required under this Lease within the prescribed time period or if any such policy is cancelled or modified during the Lease Term without Landlord's consent, Landlord may obtain such insurance, in which case Tenant shall reimburse Landlord for the cost of such insurance within fifteen (15) days after receipt of a statement that indicates the cost of such insurance.

(iii) Tenant shall maintain all insurance required under this Lease with companies holding a "General Policy Rating" of A-12 or better, as set forth in the most current issue of "Best Key Rating Guide". Landlord and Tenant acknowledge the insurance markets are rapidly changing and that insurance in the form and amounts described herein may not be available in the future. Tenant acknowledges that the insurance described herein is for the primary benefit of Landlord. If at any time during the Lease Term, Tenant is unable to maintain the insurance required under the Lease, Tenant shall nevertheless maintain insurance coverage which is customary and commercially reasonable in the insurance industry for Tenant's type of business, as that coverage may change from time to time. Landlord makes no representation as to the adequacy of such insurance to protect Landlord's or Tenant's interests. Therefore, Tenant shall obtain any such additional property or liability insurance which Tenant deems necessary to protect Landlord and Tenant.

(iv) Unless prohibited under any applicable insurance policies maintained, Landlord and Tenant each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage is covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. Upon obtaining the required policies of insurance, Landlord and Tenant shall give notice to the insurance carriers of this mutual waiver of subrogation.

**17. INDEMNIFICATION OF LANDLORD - LIABILITY INSURANCE BY TENANT.** Tenant, as a material part of the consideration to be rendered to Landlord under this Lease, hereby waives all claims against Landlord and Owner for damage to goods, wares and merchandise, in, upon or about said premises and for injuries to persons in or about said premises, from any causes arising at any time, and Tenant will hold Landlord and Owner exempt and harmless from any damage or injury to any person, or the goods, wares, and merchandise of any person, arising from the use of the premises by Tenant, or from the failure of Tenant to keep the premises in good condition and repair, as herein provided.

During the entire term of this Lease, the Tenant shall, at the Tenant's sole cost and expense, but for the mutual benefit of Landlord, Owner and Tenant, maintain general public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the demised premises and on any sidewalks directly adjacent to the demised premises. The limitation of liability of such insurance shall be not less than One Million and No/100 (\$1,000,000.00) Dollars in respect to injury or death of one person and to the limit of not less than Three Million and No/100 (\$3,000,000.00) Dollars in respect to any one accident and to the limit of not less than Two Hundred Fifty Thousand and No/100 (\$250,000.00) Dollars in respect to property damage. All such policies of insurance shall be issued in the name of Tenant, Landlord and Owner and for the mutual and joint benefit and protection of the parties, and such policies of insurance or copies thereof shall be delivered to the Landlord and Owner.

**18. INDEMNIFICATION OF TENANT - CLAIMS AND SUITS ARISING BEFORE EXECUTION OF LEASE.** Landlord, as a material part of the consideration to be rendered to Tenant under this Lease, hereby agrees to fully indemnify and hold harmless the Tenant from any and all cost, fee or judgment, irrespective of its type or origin, including all reasonable attorney's fees, resulting from any claim or suit that arose, accrued or originated before the execution of this Lease, irrespective of when the Tenant receives notice of such claim or suit. Such costs and fees shall be immediately due and payable upon notice of the same to Landlord, with the Tenant retaining the right to appoint counsel, but at no cost to him, in conjunction with the Landlord.

**19. FREE FROM LIENS.** Tenant shall keep the demised premises and the property in which the demised premises are situated free from any liens arising out of any work performed, material furnished, or obligation incurred by Tenant. Tenant shall take all reasonable steps necessary to remove any lien placed upon the property.

**20. ABANDONMENT.** Tenant shall not vacate or abandon the demised premises at any time during the term of this Lease; and if Tenant shall abandon, vacate or surrender the demised premises or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the demised premises shall be deemed to be abandoned, at the option of landlord, except such property as may be mortgaged to

Landlord.

21. **SIGNS AND AUCTIONS.** Tenant shall not place or permit to be placed any sign upon the exterior or in the windows of the demised premises without Landlord's prior written consent, nor shall Tenant change the color or exterior appearance of the demised premises without Landlord's prior written consent. Landlord will provide to Tenant an approved sign criteria drawing, which shall be submitted to Landlord for Landlord's written approval. Tenant agrees to install a sign in accordance with the approved sign construction drawing within thirty (30) days after the commencement of the term of this Lease.

Tenant shall not without Landlord's prior written consent display or sell merchandise outside the defined exterior walls and permanent doorways of the demised premises. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or from the demised premises, whether said auction be voluntary, involuntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other solvency proceeding.

22. **UTILITIES.** Tenant shall pay before delinquency all charges for water, gas, heat, electricity, sewer, power, telephone service and all other services of utilities used in, upon, or about the demised premises by Tenant or any of its subtenants, licensees, or concessionaires during the term of this Lease. If any utility is not separately metered Tenant agrees to reimburse Landlord for the cost of said service.

23. **ENTRY AND INSPECTION.** Except as provided in Paragraph 35, Landlord may designate an agent to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopy, fences and props as may be required, or for the purpose of posting notices or non-liability for alterations, additions or repairs, or for the purpose of placing upon the property in which the premises are located any usual or ordinary "For Sale" signs. Landlord shall be permitted to do any of the above without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the premises thereby occasioned. Tenant shall permit Landlord, at any time within thirty (30) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "For Lease" signs and during such thirty (30) day period Landlord or his agents may, during normal business hours, enter upon said premises and exhibit same to prospective Tenants.

24. **DAMAGE AND DESTRUCTION OF PREMISES.** In the event of (a) partial destruction of said premises or the building containing same during said term which requires repairs to either said premises or said building, or (b) said premises or said

building being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Tenant's act, use or occupation, which declaration requires repairs to either said premises or said building, Landlord shall forthwith make said repairs provided Tenant gives to Landlord thirty (30) days written notice of the necessity therefor. No such partial destruction (including any destruction necessary in order to make repairs required by any declaration made by any public authority) shall in any way annul or void this Lease except that Tenant shall be entitled to a proportionate reduction of minimum rental while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Tenant in said premises.

The foregoing to the contrary notwithstanding, if the building is damaged or destroyed at any time during the term hereof to an extent of more than twenty-five (25%) percent of its then replacement cost (excluding foundation(s)) as a result of a casualty not insured against, Landlord may within thirty (30) days following the date of such destruction terminate this Lease upon written notice to Tenant. For purposes of the preceding, any casualty which is only partially insured due to limits on insurance, exclusions from coverage or deductible shall be deemed a casualty not insured against. If Landlord does not elect to so terminate because of said uninsured casualty, Landlord shall promptly rebuild and repair said premises and Tenant's rental obligation shall be proportionately reduced as herein above provided.

**25. ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease, or any interest therein, and shall not sublet the demised premises or any part thereof, or any right or privilege appurtenant thereto, or permit any other person (the agents and servants of Tenant excepted) to occupy or use the demised premises, or any portion thereof, without first obtaining the written consent of Landlord.

The specific assignment, by written consent of the Landlord, to a single subletting, occupation or use by another person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to an assignment shall not release the original named Tenant from liability for the continued performance of the terms and provisions on the part of Tenant to be kept and performed, unless Landlord specifically releases the original named Tenant from said liability.

Any assignment or subletting without the prior written consent of Landlord shall be void, and shall, at the option of Landlord terminate this Lease. Neither this Lease nor any interest therein shall be assignable, as to the interest of Tenant, by operation of law, without the prior written consent of Landlord.

It is explicitly agreed and understood that if the Tenant forms and/or hires an operator, or management team, this shall not constitute a sublease under this agreement.

**26. DEFAULT.** It is agreed that should Tenant be in default in any of the

economic terms or conditions of this Lease, then while such default continues, Landlord shall have a lien, and neither the whole nor any part of the furniture, equipment, supplies or other property of Tenant located in the premises shall be removed therefrom, except with the written consent of Landlord first obtained, and Landlord shall have the right and privilege, at his option, to take and retain possession of said furniture, equipment and supplies, to store the same in such place or warehouse as may be selected by Landlord, at the expense and risk of Tenant.

Each of the following shall be deemed an Event of Default:

- A. Default in the payment of rent or other payments hereunder.
- B. Default in the performance or observance of any of the terms and condition of this Lease.
- C. Failure to keep the premises occupied and open for business on a 24 hour per day, seven day per week basis, except as required for remodeling, refurbishing or repairs.
- D. Abandonment of the premises.
- E. Filing or execution of a petition of bankruptcy by or against Tenant, to the extent said filing causes Tenant to fail to pay rent as due.
- F. Filing of a petition or answer seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act, to the extent said filing causes Tenant to fail to pay rent as due.
- G. Adjudication of Tenant as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense, to the extent said adjudication causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- H. An assignment for the benefit of creditors whether by trust mortgage or otherwise, which has not been approved by Landlord; said approval not to be unreasonably withheld.
- I. A petition or other proceeding by or against the Tenant for, or the appointment of, a trustee, receiver, guardian, conservator or liquidator of Tenant with respect to all or substantially all of their property, to the extent said petition causes either a failure to pay

rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.

- J. A petition or other proceeding by or against Tenant for their dissolution or liquidation, or the taking of possession of the property of the Tenant by any governmental authority in connection with dissolution or liquidation, to the extent said petition causes either a failure to pay rent or the elimination of Landlord's security interest in Tenant's furniture, equipment or supplies.
- K. The taking by any person of the leasehold created thereby or any part thereof upon execution, attachment or other process of law or equity.

27. **DEFAULT REMEDIES.** Upon occurrence of any Event of Default, Landlord may, at his option, give Notice to Tenant that this Lease shall terminate upon the date specified in the notice, which date shall not be earlier than five (5) days after the giving of such notice, in addition to any other remedy or right given hereunder or by law.

In the event of Tenant's breach of any of the Articles or conditions contained in this agreement, the Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the rent herein provided, but additional rent at the rate of one-thirtieth (1/30) of the minimum monthly rent herein provided for each and every day that the Tenant shall fail to conduct its business as herein provided said additional rent shall be deemed to be in lieu of any percentage rent that might have been earned during such period of the Tenant's failure to conduct its business as herein provided.

28. **REPOSSESSION.** Upon termination of this Lease as herein above provided, or pursuant to statute, or by summary proceedings or otherwise, Landlord may enter forthwith without further demand or notice upon any part of the premises in the name of the whole, if he has not therefore done so, and resume possession either by summary proceedings, or by action at law or in equity or by force or otherwise, as Landlord may determine, without being liable in trespass or for any damages. In no event shall such reentry or resumption of possession or reletting as hereafter provided be deemed to be an acceptance or surrender of this Lease or a waiver of the rights or remedies of Landlord hereunder.

29. **RELETTING.** Upon termination of this Lease in any manner above provided, Landlord shall use reasonable efforts to relet the premises. Landlord shall be deemed to use reasonable efforts if he leases the whole or any part of the premises, separately or with other premises, for any period equal to or less than, or extending beyond, the remainder of the original term, for any sum or to any tenant or for any use it

deems reasonably satisfactory or appropriate, and refusal to let to any person or for any use Landlord deems objectionable, or for any use not expressly permitted under Section 5 of this Lease.

30. **DAMAGES.** Upon termination of this Lease in any manner above provided, or by summary proceedings or otherwise, Tenant shall pay to Landlord forthwith without demand or notice the sum of the following:

- A. All rent, additional rent and other payments accrued to the date of such termination and a proportionate part of the rent otherwise payable for the month in which such termination occurs.
- B. The cost of making all repairs, and alterations required to be made by Tenant hereunder, and of performing all covenants of Tenant relating to the condition of the premises during the term and upon expiration or sooner termination of this Lease, such cost to be deemed prima facie to be the cost estimated by a reputable architect or contractor selected by Landlord or the amounts actually expended or incurred thereafter by Landlord.
- C. An amount equal to "liquidation damages".  
  
"Liquidation Damages" mean an amount equal to the excess of the rent, additional rent and other payments reserved in this Lease, for the portion of the term remaining after termination of the Lease (hereinafter referred to as the "unexpired term") over the then fair and reasonable rental value of the premises for such period of the term.
- D. Cost of obtaining possession of the premises.
- E. Removal and storage of Tenant's or other occupant's property.
- F. Care, maintenance and repair of the premises while vacant.
- G. Reletting the whole or any part of the premises (which relating may be for a period of periods of time less than the unexpired term hereof or extending beyond the term thereof).
- H. The cost of restoring the premises to a rentable condition.

Such costs and expenses shall be deemed prima facie to be the amounts thereof invoiced to Landlord or actually expended or incurred therefor by Landlord.

31. **SURRENDER OF LEASE.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to him of any or all of such subleases or subtenancies.

32. **SALE OF PREMISES BY LANDLORD.** In the event of any sale of the Premises by Owner and/or a sale by Landlord of the Business, to any party other than the Tenant, purchaser shall be bound by all the terms and conditions of this Lease except that any such purchaser shall have the right, upon 30 days written notice, to terminate this Lease, in which case all amounts received as profit to the Tenant shall be calculated, up to and including the date of termination, and if such amounts total less than \$1,500,000, Tenant shall receive a lump sum payment upon the date of termination equal to the difference between such net sums already received and \$1,500,000. For purposes of the foregoing, profit shall include any and all payments, whether styled as management fees salaries or other compensation, paid by Tenant to any person or entity affiliated with Tenant or measured by the income of the Business.

33. **HOURS OF BUSINESS.** Subject to the provisions of Article 23 hereof, Tenant shall continuously during the entire term hereof conduct and carry on the Business in the Premises and shall keep the Premises open for business and cause the Business to be conducted therein to be open and operating on a 24 hour 7 day per week basis; provided, however, that this provision shall not apply if the demised premises should be closed and the business of Tenant temporarily discontinued therein on account of remodeling, refurbishing, repair, strikes, lockouts or similar causes beyond the reasonable control of Tenant.

34. **ESTOPPEL CERTIFICATES.** (a) Upon Landlord's written request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of the Base Rent and other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other representations or information with respect to Tenant or the Lease as Landlord may reasonably request or which any prospective purchaser or encumbrancer of the Property may require. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Landlord may give any such statement by Tenant to any prospective purchaser or encumbrancer of the Property. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

(b) If Tenant does not deliver such statement to Landlord within such ten (10) day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (i) that the terms and provisions of this Lease

have not been changed except as otherwise represented by Landlord; (ii) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (iii) that not more than one month's Base Rent or other charges have been paid in advance; and (iv) that Landlord is not in default under the Lease. In such event, Tenant shall be estopped from denying the truth of such facts

35. **OPERATION OF BUSINESS.** Tenant shall, at its sole cost and expense, use its best efforts to obtain the required licenses to re-open the Business as soon as practicable in the circumstances. Upon obtaining such licenses and re-opening the Business, Tenant shall operate the Business as provided herein, as an exotic cabaret and in accordance with all local, state and federal laws and regulations applicable thereto. Unless prohibited by any such law or regulation, Tenant shall assume all contracts of Landlord with all third party contractors in connection with the operation of the Business save an except for any employment contracts and agreements. Further, per the specific direction of the City of Las Vegas, no defendant, including Fredrick Rizzolo, associated with federal court cases numbered \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ or any related case, shall be employed at or allowed upon the premises. Landlord, through its designated representatives, shall have unlimited access to the Premises.

36. **FEDERAL ACCESS.** Tenant acknowledges that the federal government has certain rights of access to the Premises and the books and records of the Business pursuant to a certain Plea Memorandum between the federal government and Landlord and Tenant agrees to all such provisions thereof.

37. **ATTORNEY'S FEES.** If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the demised premises by reason of any act or omission of Tenant, then, Tenant shall hold harmless landlord from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by Landlord in such litigation.

If the tenant is involuntarily made a party defendant to any litigation concerning this lease or the demised premises by reason of any act or omission of landlord, then, landlord shall hold harmless tenant from all liabilities by reason thereof, including reasonable attorney's fees and all costs incurred by tenant in such litigation. If the tenant incurs any cost or fee related to any fine, fee, debt or cost, of any kind, or from any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, then, landlord shall hold harmless tenant from all liabilities, cost and/or fees, of any kind, by reason thereof, including reasonable attorney's fees and all costs incurred by tenant.

If either Landlord or Tenant shall commence any legal proceedings against the other with respect to any of the terms and conditions of this Lease, the non-prevailing

party therein shall pay to the other all expenses of said litigation, including a reasonable attorney's fee as may be fixed by the court having jurisdiction over the matter. The parties hereto agree that the State of Nevada is the proper jurisdiction for litigation of any matters relating to this Lease and service may be effectuated in any manner allowed by law.

38. **HOLDING OVER.** Tenant shall vacate the Property upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord for and indemnify Landlord against all damages which Landlord incurs from Tenant's delay in vacating the Property. Any holding over after the expiration of this Lease, with the consent of Landlord, shall be construed to be a tenancy from month to month, cancelable upon thirty (30) days written notice, and at a rental which is increased by 25% and upon terms and conditions as existed during the last year of the term hereof.

39. **NOTICE.** Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served and shall not be deemed to have been duly given or served unless in writing and forwarded by certified mail, addressed as follows:

Landlord:

**THE POWER COMPANY, INC.**  
**c/o Pattie & Sgro, Ltd.**  
**720 S. Seventh Street, Ste 300**  
**Las Vegas, Nevada 89102**

Tenant:

**NEVADA RECEIVERSHIP**  
**302 Carson Ave, Ste 802**  
**Las Vegas, Nevada 89101**

Either party may change such address by written notice by certified mail to the other.

40. **SUCCESSORS IN INTEREST.** The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder, save that any licensing obtained by the Tenant shall be non transferable without the Tenant's agreement in writing.

41. **TENANT'S PERFORMANCE.** In the event Tenant shall fail within any time limits which may be provided herein to complete any work or perform any other requirements provided to be performed by Tenant prior to the commencement of the term hereof, or in the event Tenant shall cause a delay in the completion of any work, Landlord may send Tenant written notice of said default and if said default is not corrected within ten (10) days thereafter, Landlord may by written notice prior to the curing of said default terminate this Lease. Landlord shall be entitled to retain as liquidated damages all deposits made hereunder and such improvements as Tenant may have annexed to the realty that cannot be removed without damage thereto.

42. **FORCE MAJEURE.** If either party hereto shall be delayed or prevented from the performance of any act hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations, or any closure and/or restriction of or upon the business by any governmental, administrative or regulatory entity that is based, in whole or in part, upon any act, omission or conduct, or any allegation of any act, omission or conduct, that occurred before the execution of this lease, or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Article 41 contained shall excuse Tenant from the prompt payment of any rental or other charge required of Tenant hereunder except as may be expressly provided elsewhere in this Lease. Should any closure and/or restriction of or upon the business exceed thirty days in duration, the Tenant, at his discretion, may terminate this lease without penalty or cost.

43. **PARTIAL INVALIDITY.** If any term, covenant, condition of provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereof.

44. **MARGINAL CAPTIONS.** The various headings and numbers herein and the grouping of the provisions of this Lease into separate Articles and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

45. **TIME.** Time is of the essence of this Lease.

46. **SUBORDINATION, ATTORNMENT.** This Lease, at Landlord's option, shall be subordinate to the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the demised premises are a part, and to any and all advances made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, that as to the lien of any such deed of trust or mortgage Tenant's right to quiet possession of the premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.

In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the

Landlord covering the demised premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

Within ten (10) days after request therefor by Landlord, or in the event that upon any sale, assignment, or hypothecation of the demised premises or the land thereunder by Landlord, an estoppel certificate and/or financial statement shall be requested of Tenant, Tenant agrees to deliver such financial statement, and to deliver such estoppel certificate (in recordable form) addressed to any such proposed mortgagee or purchaser or to the landlord certifying the requested information, including among other things the dates of commencement and termination of this Lease, the amounts of security deposits, and that this Lease is in full force and effect (if such be the case) and that there are no differences, offsets or defaults of Landlord, or noting such differences, offsets or defaults as actually exist. Tenant shall be liable for any loss or liability resulting from any incorrect information certified, and such mortgagee and purchaser shall have the right to rely on such estoppel certificate and financial statement.

47. **CONDEMNATION.** If the event of a condemnation or a transfer in lieu thereof twenty (20%) percent or more of the demised premises is taken, or in the event as a result of such taking or transfer in lieu thereof Landlord is unable to provide the parking required by Article 10 hereof, Landlord or Tenant may, upon written notice given within thirty (30) days after such taking or transfer in lieu thereof, terminate this Lease. Tenant shall not be entitled to share in any portion of the award and Tenant hereby expressly waives any right or claim to any part thereof. Tenant shall, however, have the right to claim and recover, only from the condemning authority (but not from Landlord) any amounts necessary to reimburse Tenant for the cost of removing stock and fixtures, moving the business, loss of business, et cetera.

48. **NO ORAL AGREEMENTS.** This Lease covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein and there are no oral agreements or implied covenants.

49. **HOLD HARMLESS.** Tenant agrees that Landlord shall in no event be liable in damages or otherwise to Tenant for any acts, conduct, negligence or carelessness, of any other tenant or tenants occupying other portions of the building within which the demised premises are located, and in this connection, Tenant specifically releases Landlord of and from all and any damages which Tenant may sustain by reason of the acts, conduct, negligence or carelessness of other occupants of said building or adjoining buildings wherein the demised premises are located.

50. **PURCHASE AGREEMENT.** In consideration of the foregoing tenancy, the Landlord, and all other parties in interest, hereby grant to Tenant an option to purchase the Center, Premises and Business pursuant to the terms of the Purchase and Sale Agreement attached hereto subject to the terms therein, and a right of first refusal as

set forth in this Paragraph 50, which shall apply if Tenant does not exercise the option as provided in the Purchase and Sale Agreement. If Landlord and the Owner shall receive an offer from a third party to purchase the Business, Premises and the Center, Landlord and Owner shall, prior to accepting any such offer, give Tenant written notice of the applicable price, terms and conditions contained in such offer. Tenant shall have 72 hours from receipt of such written notice to agree, in a written notice to Landlord and Owner, to purchase the Center, Business and Premises at the price and on the terms and conditions contained in such offer. If Tenant shall not give timely written notice agreeing to purchase the Center, Business and Premises, Landlord and Owner shall, thereafter, be free to enter into an agreement to sell the Center, Business and premises on substantially the same terms and conditions and at a price which is equal to or greater than the price contained in the notice to Tenant, and Tenant shall have no further rights hereunder. Tenant's rights under this paragraph shall terminate upon the occurrence of any Event of Default, notwithstanding any cure period or any cure.

IN WITNESS WHEREOF, the parties have duly executed this Lease together with the herein referred to Exhibits which are attached hereto, on the day and year first above written.

**TENANT:**

NEVADA RECEIVERSHIP, a Nevada  
limited liability company

**LANDLORD:**

THE POWER COMPANY, INC. A  
Nevada corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into as of this \_\_\_ day of September, 2006 ("Effective Date"), by and between RicRiz, LLC, a Nevada Limited Liability Company ("RicRiz"), and The Power Company, a Nevada Corporation ("Power Company"). (RicRiz and Power Company are referred to jointly herein as "Seller"), and \_\_\_\_\_, or Assignee ("Buyer").

### RECITALS

A. RicRiz is the owner of certain real property located in the City of Las Vegas, County of Clark, State of Nevada, situated at 2440-2497 Industrial Road, Las Vegas, NV, consisting of approximately 2.65 acres, with Assessor's parcel number 162-04-407-001, which is more particularly described in Exhibit "A" ("Land"), and the related buildings, improvements, appurtenances, and certain related personal and intangible property ("Improvements"). (The Land and Improvements are referred to jointly as the "Real Property").

B. Power Company is the owner of a certain business operated under the name Crazy Horse Too, and all tangible and intangible assets, leasehold improvements, furniture, fixtures and equipment located at or used on the Real Property in connection with the operation of the Crazy Horse Too (the business, assets, leasehold improvements, furniture fixtures and equipment, and cash on hand are referred to herein as the "Business"). (The Real Property and the Business are referred to herein as the "Property.")

C. Seller desires to sell and Buyer desires an option to purchase the Property, including the Real Property and the Business, as specifically described below.

### 1. AGREEMENT OF SALE

1.01 Purchase and Sale. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell the Property and hereby grants to Buyer, the option to purchase the property under the terms and conditions of this Agreement.

1.02 Purchase Price. The full purchase price for the Property is Forty-five Million Dollars (\$45,000,000), (the "Purchase Price") and is payable in accordance with this Article 1. Upon exercise of its option, Buyer shall deposit into Escrow a copy of this Agreement and the Deposit (as herein after defined). The balance of the Purchase Price shall be due and payable at the Closing (as hereinafter defined). The delivery of a copy of this Agreement shall be deemed the Opening of Escrow and Escrow Holder (as hereinafter defined) shall immediately deliver to Buyer and Seller a notice reflecting the date thereof.

1.03 Deposit. Buyer shall, concurrent with exercising its option, make as a deposit with Escrow Holder (as hereinafter defined), against the Purchase Price, in the sum of \_\_\_\_\_ Thousand Dollars (\$\_00,000), (the "Deposit"). The Deposit shall be in cash, by cashier's check payable to the Escrow Holder, or by electronic transfer of federal funds. The Escrow Holder shall hold the Deposit in an escrow account, with interest accruing on the Deposit, to be added to the Deposit and held as provided herein. At Closing, the Deposit shall be credited against the Purchase Price and shall be paid to Seller together with the balance of the Purchase Price due at

Closing. If this Agreement terminates for any reason except Seller's default or termination by Buyer for failure of the title contingencies or election to terminate due to a Condemnation (as hereinafter defined) pursuant to the provisions of Paragraphs 2.03, 3.03, or 9.01 below, the Escrow Holder shall pay the Deposit and all interest accrued thereon to Seller. If this Agreement terminates as a result of Seller's default hereunder, including its failure to timely perform its obligations hereunder, the Deposit and all interest accrued thereon, shall be paid to Buyer.

1.04 Exercise of Option. Buyer shall exercise its option to purchase the Property by delivering to Seller written notice of Buyer's exercise ("Notice of Exercise"), which notice shall be delivered not later than \_\_\_\_\_. Upon the giving of such notice, Buyer shall be obligated to purchase the Property on the terms and conditions set forth herein.

1.05 Payment of Balance. Buyer agrees to pay, or cause to be paid, the balance of the Purchase Price (i.e. the total Purchase Price less the Deposit) to Seller through the Escrow by depositing cash or a certified cashier's check payable to the Escrow Holder, or by electronic transfer of federal funds, which shall be delivered to the Escrow Holder at Closing. (For purposes of this Agreement, a business day is any day on which the courts in Clark County, Las Vegas are open). Notwithstanding the foregoing, Buyer may pay up to Five Million Dollars (\$5,000,000) of the purchase price by delivering to Seller, through Escrow, at Closing, Buyer's promissory note in the form of Exhibit B attached hereto.

1.06 Allocation of Purchase Price. The Purchase Price shall be allocated among various assets constituting the Property in accordance with an Exhibit "C" (Allocation of Purchase Price) to be negotiated by the parties in good faith, which exhibit shall be prepared in the manner required by §1060 of the Internal Revenue Code of 1986 (Code), as amended, and attached to this Agreement at least five (5) days before the Closing. Seller and Buyer agree to prepare and file all federal, state, local, and foreign tax returns and other filings reflecting this transaction on a basis consistent with such allocation, and to cooperate with each other in good faith in preparing any and all statements required to be included in their respective tax returns, including Internal Revenue Service (IRS) Form 8594 and any required exhibits to the tax returns (or other forms required under §1060 of the Code, or other applicable tax laws) reflecting such allocation. Seller and Buyer further agree that they shall not make any inconsistent written statement or take any inconsistent position on any tax returns, in any refund claim, or during the course of any IRS or other tax audit, so long as there exists a reasonable basis in law to maintain the position reflected by such allocation. Each party shall notify the other party if it receives notice that the IRS or any other taxing authority proposes any allocation that is different from the allocation set forth on the Allocation of Purchase Price.

1.07 Agreements. By giving the Notice of Exercise, Buyer acknowledges receipt of copies of certain written agreements, service contracts, and other documents that affect the Property including, without limitation, a rent roll of all leases affecting the Real Property, financial statements regarding the Business, income tax returns for the Business for 2004 and 2005, any agreements relating to insurance, service, operation, repair, supply, advertising, promotion, sale, leasing, or management of the Property or the use of the common facilities which are not terminable at will and which survive the Closing by more than 90 days (referred to herein as the "Disclosure Materials").

## 2. Title Matters

2.01 Preliminary Report. Within three (3) days after the Opening of Escrow, Escrow Holder shall deliver to Buyer, with a copy to Seller, a preliminary title report (Preliminary Report) dated no earlier than the August 15, 2006, covering the Real Property and issued by Nevada Title Company ("Title Company"), together with a legible copy of all exceptions to title shown in the Preliminary Report.

2.02 Approval of Title. Buyer's obligation to purchase the Property is expressly conditioned on Buyer's approval of the condition of title of the Real Property. Buyer shall be deemed to have approved the condition of title of the Real Property unless Buyer shall give written notice of disapproval of any matter shown on the Preliminary Report, which written notice must be given within three (3) days after the receipt of the Preliminary Report ("Disapproval Notice"). The Disapproval Notice shall specify the matters which Buyer disapproves. Notwithstanding the foregoing, Buyer shall be deemed to have approved and shall not disapprove the preprinted exceptions on the Preliminary Report, all real property taxes and assessments not yet delinquent (which shall be subject to proration as herein below provided), and all other monetary liens (which are deemed disapproved and which shall be paid in full at or prior to the Closing). All matters not disapproved are referred to herein as the "Permitted Exceptions." All matters to which Buyer shall timely disapprove are referred to herein as "Title Objections."

2.03 Title Objections. If Buyer shall timely disapprove of any title matter in a Disapproval Notice, Seller shall, within five (5) days after delivery of the Disapproval Notice, specify in writing to Buyer (the "Cure Notice") which, if any, Title Objections Seller will remove or cure prior to the Closing. In the event that that the Cure Notice does not provide for cure or removal of all Title Objections, Buyer may, by written notice to Seller within three (3) days after the Cure Notice ("Termination Notice"), terminate this Agreement. If Seller has not agreed to remove or cure all Title Objections and Buyer has not timely given a Termination Notice, Seller shall be deemed to have approved all title matters, except those title matters which are contained in the Disapproval Notice and which Seller has agreed to remove or cure, and such approved title matters shall be included in the Permitted Exceptions.

## 3. Due Diligence

3.01 Due Diligence. Buyer has reviewed the Disclosure Materials to Buyer's satisfaction and has conducted such inspections of the Real Property and the Business as he deems necessary and appropriate and, subject only to the conditions referred to in Paragraph 3.03, below, and is satisfied with and approves the Property, the condition of the Real Property and all other matters concerning the Property, and all economic, financial, and accounting matters relating to or affecting the Business or its value, and the physical and environmental condition of the Real Property.

3.02 Assumption of Risk. Subject to the right to approve title and further subject to the conditions referred to in Paragraph 3.03, below, Buyer hereby accepts the Property in its present condition. Buyer agrees that Seller has provided to Buyer all information regarding the Property requested by Seller and that Buyer waives any and all rights which might otherwise arise from

further investigation of the Property. Buyer assumes any and all risk that an adverse condition of or relating to the Property may not have been revealed by Buyer's inspections and investigations. Buyer, upon Buyer's failure to give a timely Disapproval Notice or upon Buyer's failure to give a timely Notice of Termination, shall be deemed to have accepted the Property in its as is condition as relates to the physical condition, any defects therein, the fitness of the Property for Buyer's purposes and all other matters. Seller shall have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in the Improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by additional due diligence by Buyer or further disclosure by Seller.

3.03 Termination for Failure of a Contingency. If this Agreement is terminated or deemed to be terminated for failure of the title contingency as described in Paragraph 2.03, or as provided in Paragraph 9.01, then immediately on written notice from Buyer, Escrow Holder shall refund the Deposit, together with interest thereon, to Buyer, without offset for any charges or claims, except for cancellation fees or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a contingency, which fees and costs shall be borne equally by Seller and Buyer, and each party shall pay its own expenses

#### 4. SELLER'S PRE-CLOSING COVENANTS

4.01 No Amendment or Agreements. On or after the Effective Date, Seller shall not (a) amend or waive any right under any contract or agreement which is part of the Disclosure Materials and which amendment or waiver is reasonably likely to have a substantial effect on the obligations of Buyer under such contract or agreement after the Closing or (b) enter into any lease or other agreement of any type affecting the Property that would survive the Closing, without Buyer's prior written consent, which consent shall not be unreasonably delayed or withheld.

4.02 Insurance. Through the Closing, Seller shall maintain or cause to be maintained in full force and effect comprehensive general liability casualty and other insurance on the Property in an amount comparable to the insurance maintained on the Property on the Effective Date.

4.03 Maintenance and Operation. Seller, at its sole cost and expense, and subject to the provisions of the Operating Sublease not inconsistent herewith, shall maintain and keep the Property such that on the Closing Date the Property is in at least as good condition and repair as on the Effective Date, reasonable wear and tear excepted. Seller may not make any substantial alterations to the Property without Buyer's prior written consent, which consent shall not be unreasonably delayed or withheld.

4.04 Existing financing. Seller shall not permit any default, or any event that could give rise to a default with lapse of time or notice, to occur under any existing loan secured by the Property or other financing encumbering the Property.

4.05 Licenses and Permits. Seller shall use due diligence and its best efforts to keep in full force and effect, and shall renew, when necessary, all licenses and permits for the Property.

4.06 Access to Property. Buyer and Buyer's representatives, agents, and designees shall have the right at all reasonable times until Closing to enter the Property.

4.07 Notification. Seller shall promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that makes any representation or warranty of Seller under this Agreement untrue or misleading.

4.08 Estoppel Certificates. Seller agrees to use reasonable efforts to obtain estoppel certificates from each tenant of the Real Property.

## 5. REPRESENTATIONS AND WARRANTIES

5.01 Seller's Representations and Warranties. Seller hereby represents and warrants that each of the following is true, to the best of Seller's knowledge, as of the Effective Date and the Closing Date:

(a) Condition of the Property. The Real Property is free of any physical or mechanical defects which materially affect the usability of the Improvements and all building systems in the Improvements (including without limitation heating, ventilating, air-conditioning, elevator, and other mechanical, electrical, sprinkler, life safety, and plumbing systems) are in good order and repair.

(b) Compliance With Laws. Neither the Property nor its operation violates in any way any applicable laws, ordinances, rules, regulations, judgments, orders, or covenants, conditions and restrictions, whether federal, state, local, foreign or private, including without limitation the Americans with Disabilities Act and all life safety requirements. The Improvements are not in violation of any applicable building or zoning codes, building moratorium or environmental protection codes, laws, regulations, or ordinances. The zoning of the Property permits the current Improvements and use of the Real Property, there is no pending or contemplated rezoning.

(c) Documents. All Disclosure material delivered to Buyer under Paragraph 1.07, and all other documents delivered to Buyer by or on behalf of Seller, are true, correct, and complete copies of what they purport to be.

(d) Leases. The Rent Roll referred to in Paragraph 1.07 is true, correct, and complete as of the date thereof. Seller has delivered to Buyer true, accurate, and complete copies of all Leases affecting the Real Property, and there are no leases, subleases, occupancies, or tenancies in effect pertaining to the Property except as stated in the Rent Roll. The Leases are in full force and effect; no party to the Leases is in default under the Leases; and the Leases are subject to no defenses, setoffs, or counterclaims for the benefit of the tenants under the Leases; and no rent has been prepaid nor concessions given to the tenants under the Leases except as disclosed in the Leases. Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding. Seller is in full compliance with all of the landlord's obligations under the Leases. The foregoing is modified as it relates to the Barrier tenancy, in that there are

ongoing disputes with such tenant and Buyer has had the opportunity to review that matter and no representation is made hereunder with respect thereto.

(e) Operating Statements. All operating statements furnished to Buyer in connection with or under this Agreement (a) are true and correct in all material respects, (b) have been prepared in conformity with generally accepted accounting principles consistently applied and (c) fairly present the financial position of the Property.

(f) Litigation. Other than as relates to the Barrier tenancy, ongoing matters before the City Council of the City of Las Vegas relating to The Power Company's liquor license and the pending criminal action against Seller and its principal owner, there is no pending or threatened private or governmental litigation by any governmental authority or person against Seller relating to the Property that might, if it and all other pending and threatened litigation were adversely determined, result in a material adverse change in the Property or its operation or that challenges the validity of or otherwise materially adversely affects the transactions contemplated by this Agreement.

(g) Other Proceedings. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or threatened against Seller or Seller's interest in the Property, nor are any such proceedings contemplated by Seller.

(h) Utilities. All water, sewer, gas, electric, telephone, drainage facilities, and all other utilities required by law or by the normal operation of the Property are adequate to service the Property in its present use and to permit full compliance with all requirements of law and normal usage by the tenants of the Property.

(i) Licenses. Except as relates to the liquor license of The Power Company, Seller has all licenses, permits, easements, and rights-of-way, including building permits, and occupancy permits that are required from any governmental authority having jurisdiction over the Property, or from private parties, in order to continue the present use of the Property and to insure adequate vehicular and pedestrian ingress and egress to the Property. Such licenses, permits, easements, and rights-of-way shall be in full force and effect on the Closing Date.

(j) Due Authorization. This Agreement and the performance of Seller's obligations under it and all documents executed by Seller that are to be delivered to Buyer at the Closing are, or on the Closing Date shall be, duly authorized, executed, and delivered by Seller and are, or at the Closing Date shall be, legal, valid, and binding obligations of Seller, and do not, and at Closing shall not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject

5.02 Personal Property. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any Personal Property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise on writing to Buyer.

5.03 Buyer's Representations and Warranties. Notwithstanding anything to the contrary in this Agreement, Buyer hereby warrants and represents that, as of the Effective Date, this Agreement and the performance of Buyer's obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing are, or on the Closing Date shall be, duly authorized, executed, and delivered by Buyer and are, or at the Closing Date shall be, legal, valid, and binding obligations of Buyer, and do not, and on the Closing Date shall not, violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Buyer to enter into or to perform Buyer's obligations under this Agreement, except as has already been obtained.

5.04 Effect of Representations and Warranties. Each representation and warranty in this Article 5 is material and being relied on by the party to which the representation and warranty is made; and to the best knowledge of the maker is true in all respects as of the Effective Date.

5.05 Survival of Seller's Representations and Warranties and Limitation on Liability. The parties agree that (a) Seller's warranties and representations in this Agreement and in any document (including any estoppel or other certificate) executed by Seller under this Agreement with respect to the Property shall survive for six (6) months after the Closing Date, and (b) if Buyer fails to provide written notice to Seller of any breach of such warranties or representations within six (6) months after the Closing Date, Buyer shall be deemed to have waived all claims for breach of any representations and warranties with respect to the Property.

5.06 "As Is" Purchase. Subject to approval of title as provided in Article 2, the appraisal contingency in Article 3, Seller's pre-closing obligations under Article 4, the closing conditions in Article 6, and as a material inducement to Seller's execution and delivery of this Agreement and performance of its duties under this Agreement, BUYER HAS AGREED TO ACCEPT POSSESSION OF THE PROPERTY ON THE CLOSING DATE ON AN "AS IS" BASIS. SELLER AND BUYER AGREE THAT THE PROPERTY SHALL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND, EXCEPT AS SET FORTH IN PARAGRAPH 5.01 OF THIS AGREEMENT, SUCH SALE SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.

5.07 Release. Except as provided in Paragraph 5.05, effective from and after the Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that now has or that may arise in the future because of or in any way growing out of or connected with this Agreement and the Property (including without limitation the Condition of the Property), except matters arising from Seller's fraud or intentional misrepresentation. BUYER EXPRESSLY WAIVES ITS RIGHTS GRANTED UNDER ANY PROVISION OF LAW THAT PROVIDES A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT

BUYER DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MUST HAVE MATERIALLY AFFECTED ITS AGREEMENT TO RELEASE SELLER.

## 6. CLOSING CONDITIONS

6.01 Buyer's Closing Conditions. All obligations of Buyer under this Agreement are subject to the fulfillment, before or at the Closing, of each of the following conditions ("Buyer's Closing Conditions"). Buyer's Closing Conditions are solely for Buyer's benefit and any or all of the Buyer's Closing Conditions may be waived in writing by Buyer in whole or in part without prior notice.

6.02 Title. It is a Buyer's Closing Condition that, at the Closing, Seller convey to Buyer title to the Real Property by execution and delivery of a Grant Bargain & Sale Deed in the form attached to this Agreement as Exhibit "D" (the "Deed") and cause to be delivered to Buyer from the Title Company a CLTA Policy of Title Insurance with liability in the full amount of the portion of the Purchase Price allocated to the Real Property, insuring title to the Real Property in Buyer, subject only to the Permitted Exceptions. Seller must deliver to the Title Company such instruments, documents, releases, and agreements and must perform such other acts as Title Company may reasonably require in order to issue the Title Policy.

6.03 Seller's Representations, Warranties, and Covenants. The Representations and Warranties of Seller in this Agreement must be true in all material respects on and as of the Closing with the same effect as if such Representations and Warranties had been made on and as of the Closing Date. Seller must have performed and complied with all Covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

6.04 Tenant Estoppel Certificates. Seller shall have used reasonable efforts to deliver to Buyer an Estoppel Certificate from each tenant of the Real Property in the form attached to this Agreement as Exhibit "E" (Tenant Estoppel Certificates), dated no earlier than the Effective Date. Tenant Estoppel Certificates delivered to Buyer must contain no material discrepancies from the Rent Roll, and must (a) confirm the terms of such tenant's lease and the current rent payable under it, (b) verify to the best knowledge of such tenant that Seller is not in default or subject to any claims or defenses of such tenant, (c) affirm that all construction obligations of landlord under such tenant's lease have been met to such tenant's satisfaction, (d) specify the amount of any deposits or prepaid rent held by Seller and (e) constitute an attornment by such tenant to Buyer and a consent to the assignment of the lease to Buyer. Buyer expressly acknowledges that there may be no Estoppel Certificate regarding the Barrier tenancy.

6.05 Closing Documents. Seller shall have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.

6.06 Physical Condition. The physical condition of the Property must be substantially the same on the Closing Date as on the Effective Date, reasonable wear and tear excepted.

6.07 Adverse Actions. There shall exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings, pending or threatened, against Seller or regarding the Property, other than those disclosed herein that would materially and adversely affect the Seller's ability to perform its obligations under this Agreement or Buyer's title to the Property and there shall exist no pending or threatened action, suit, or proceeding regarding the Seller before or by any court or administrative agency that seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transactions contemplated by this Agreement.

6.08 Hazardous Material. No Hazardous Materials shall have been discovered on the Property after the Contingency Date that were not previously disclosed to Buyer or discovered by Buyer before the Contingency Date.

6.09 No Material Changes. No event shall have occurred nor shall any condition have arisen after the Contingency Date that as of the Closing Date materially and adversely affects all or any part of the Property or its current or prospective operation, use, value, income, expenses, or occupancy. It shall be deemed a material adverse change if Seller shall have ceased the sale of alcoholic beverages for a period in excess of 24 hours.

## 7. SELLER'S CLOSING CONDITIONS

7.01 Seller's Closing Conditions. Seller's obligation to sell the Property is expressly conditioned on the fulfillment of each condition precedent at or before the Closing ("Seller's Closing Conditions"). Seller's Closing Conditions are solely for Seller's benefit and any of Seller's Closing Conditions may be waived in writing by Seller in whole or in part without prior notice.

7.02 No Disapproval of Contingencies. It is a Seller's Closing Condition that Buyer shall not have timely delivered a Termination Notice or Disapproval Notice terminating its obligation to purchase the Property.

7.03 Purchase Price. Buyer must have delivered the Purchase Price to Escrow.

7.04 Buyer's Representations, Warranties, and Covenants. The representations and warranties of Buyer in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Buyer must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

7.05 Termination for Failure of a Condition. If Buyer's Closing Conditions or Seller's Closing Conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the party in whose favor the Closing Condition runs by written notice to the other. If this Agreement is so terminated, on such termination, Escrow Holder must return the Deposit to party terminating this Agreement. Any cancellation fee or other costs of the

Escrow Holder and Title Company shall be borne equally by Seller and Buyer and each party shall pay its own expenses.

## 8. CLOSING

8.01 Escrow. The Escrow shall be opened with Nevada Title Company, Attention: Terry Wright (the "Escrow Holder") on the execution of this Agreement. Buyer and Seller shall promptly on the Escrow Holder's request execute such additional escrow instructions as are reasonably required to consummate the transaction contemplated by this Agreement and are not inconsistent with this Agreement.

8.02 Closing. The "Closing" means the exchange of money and documents as described in this Article 8, and shall be deemed to have occurred when Seller's Deed to Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining documents described in this Article 8, the Title Company is irrevocably and unconditionally committed to issue the Title Policy, and Buyer has delivered the Purchase Price in immediately available funds to Escrow Holder.

8.03 Closing Date. Seller and Buyer agree that the Closing shall occur on the "Closing Date." The Closing Date shall be a date mutually agreeable to Buyer and Seller that is no later than 15 days after the Notice of Exercise, unless Seller shall agree to an extension thereof. The Closing shall be at the offices of Escrow Holder or such other place as the parties may agree.

8.04 Seller's Deposit of Documents and Funds. Seller shall deposit into Escrow the following documents duly executed by Seller in form and substance reasonably satisfactory to Buyer:

- (a) Deed. The duly executed and acknowledged Deed conveying the Real Property to Buyer subject only to the Permitted Exceptions;
- (b) Bill of Sale. A duly executed Bill of Sale, in the form attached to this Agreement as Exhibit "E", conveying the Business to Buyer free and clear of liens, encumbrances, and restrictions of every kind and description (the "Bill of Sale");
- (c) Lease Assignment. A duly executed assignment of Leases, in the form attached to this Agreement Exhibit "F", assigning to Buyer Seller's interest as lessor in all the Leases (the "Lease Assignment"); and
- (d) Additional Documents. Such additional documents, including written Escrow instructions consistent with this Agreement, as may be necessary or desirable to convey the Property in accordance with this Agreement.

8.05 Buyer's Deposit of Documents and Funds. Buyer must deposit into Escrow the following funds and documents duly executed by Buyer:

- (a) Purchase Price. The Purchase Price in accordance Paragraph 1.02 adjusted for prorations and closing costs as set forth herein;

(b) Lease Assignment. A duly executed Lease Assignment, , by which Buyer assumes Seller's interest as lessor in all the Leases);

(c) Additional Documents. Such documents, including written Escrow Instructions consistent with this Agreement, as may be necessary or desirable for conveyance of the Property in accordance with this Agreement.

8.06 Closing. When the Escrow Holder receives all documents and funds identified in Paragraphs 8.04 and 8.05, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder shall close Escrow by:

(a) Recording the Deed;

(b) Recording any documents required to be recorded by Seller's lender with respect to any financing;

(c) Issuing the Title Policy to Buyer;

(d) Delivering to Buyer the Assignment, the Bill of Sale, original Leases, the Tenant Estoppel Certificates, the Lease Assignment, copies of all recorded documents related to the transfer or encumbering of the Property, and a copy of Seller's Escrow instructions; and

(e) Paying the Purchase Price to Seller, plus or minus prorations as provided for herein.

(f) Thereafter, Escrow Holder shall deliver signed closing statements showing all receipts and disbursements to Buyer and Seller.

8.07 Deliveries Outside Escrow. Seller agrees to deliver the original Leases which it has in its possession to Buyer outside Escrow within three (3) business days after Closing.

8.08 Prorations. All receipts and disbursements of the Property shall be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price shall be adjusted on the following basis:

(a) Property Rents.

(i) Collected Rents. All rents collected by Seller under the Leases in effect on the Closing Date, including rents on account of operating cost pass-throughs, percentage rents, and other charges paid by tenants (Collected Rents) shall be prorated as of the Closing by charging Seller and crediting Buyer for any Collected Rents applicable to periods after the Closing.

(ii) Delinquent Rents. All unpaid rents that are due and owed to Seller under the Leases in effect on the Closing Date, including rents on account of operating

cost pass-throughs, percentage rents, and other charges paid by tenants (Delinquent Rents) shall not be prorated and shall remain the property of Seller. Buyer shall deliver any Delinquent Rents received by Buyer to Seller, less the actual costs of collection, on the condition that Buyer shall apply all rent received from tenants under the Leases first to any obligations arising under the Leases after the Closing and Buyer shall then apply the balance, if any, to the Delinquent Rents. Seller shall have the right to collect Delinquent Rents, at Seller's sole cost and expense, on the condition that Seller shall have no right to cause the eviction of, and Buyer shall have no obligation to evict, any tenants owing Delinquent Rents.

(b) Security Deposits. At Closing, Buyer shall be credited and Seller shall be charged with the amount of all security deposits received under the Leases in effect as of the Closing.

(c) Property Taxes. All real and personal property ad valorem taxes and special assessments, if any, whether payable in installments or not, including without limitation all supplemental taxes attributable to the period before the Closing Date for the calendar year in which the Closing occurs shall be prorated to the Closing Date, based on the latest available tax rate and assessed valuation.

(d) Utility Charges. Charges for utilities, including water, sewer, electric, and gas, shall be prorated within as of the Closing Date based on the then most recent bills for such services. Seller shall pay for all utility services to the Property for all periods before the Closing and Buyer shall pay for all utility services to the Property for the Closing Date and all periods thereafter.

(e) Cash and Inventory. For purposes of computing prorations, Escrow Holder shall include a credit to Seller in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for cash on hand and Two Hundred Thousand Dollars (\$200,000) for inventory as of the Closing.

8.09 Closing Costs. Closing costs shall be allocated as follows:

- (i) Seller shall pay all costs associated with removing any debt encumbering the Property;
- (ii) Escrow costs shall be shared equally by Seller and Buyer;
- (iii) Seller shall pay the cost of the Title Policy;
- (iv) Buyer shall pay the cost of recording the Deed;
- (v) Buyer shall pay any applicable sales tax;
- (vi) The documentary transfer tax shall be paid by Buyer; and

- (vii) Seller shall pay up to 6% of the Purchase in Buyers loan fees in connection with Buyers financing but to the extent the amount thereof shall exceed Two Million Four Hundred Thousand Dollars (\$2,400,000) Buyer shall pay the excess.

8.10 Broker's Commission; Indemnity. If any broker or finder perfects a claim for a commission or finder's fee based on any contract, dealings, or communication with a party (an "Indemnifying Party"), then the Indemnifying Party shall indemnify, defend, and hold the other party (the "Non-indemnifying Party") harmless from all costs and expenses (including reasonable attorney fees and costs of defense) incurred by the Non-indemnifying Party in connection with such claim. For purposes of the foregoing, it is agreed that any claim perfected by Prudential Americana Group Realtors or Rosie Daley shall be deemed to be a claim for which Buyer is the Indemnifying party.

8.11 Possession. Seller shall deliver exclusive right of Possession of the Property to Buyer on the Closing Date, subject only to the interest of tenants under the Leases.

8.12 Licenses. Buyer acknowledges that the licenses used by Seller in the operation of the Business are not transferable and that Buyer will have to separately apply for and obtain all necessary licenses in connection with its operation of the Business from and after the Closing. Buyer agrees to immediately apply for all such licenses upon execution hereof and to diligently pursue such applications with a view to obtaining all such licenses, or temporary licenses where the same may reasonably be obtained in a shorter period of time. Buyer shall give Seller notice of each license that Buyer applies for and shall provide additional notices to Seller updating Buyers progress with respect to each license.

## 9. RISK OF LOSS

9.01 Condemnation. If, before the Closing Date, Seller receives notice of that any formal action or proceeding has commenced for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller receives notice from the duly authorized officer of a duly empowered condemning authority (either of such notices is referred to herein as a "Condemnation Notice") of the intent to commence such action or proceeding (a "Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer shall be entitled to keep, all awards for the Condemnation that accrue to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must give Buyer written notice of any Condemnation Notice regarding all or any portion of the Property within five (5) days after the receipt of such Condemnation Notice, and Buyer must exercise its option(s) as provided in this Paragraph 9.01 ten (10) days after receipt of such Condemnation Notice. If necessary, the Closing Date shall be extended to give Buyer the full ten (10) day period to make such election. If Buyer fails to give written notice of its election hereunder within such ten (10) day period, Buyer shall be deemed to have elected to proceed with Closing. Notwithstanding the foregoing,

9.02 **Damage and Destruction.** If before the Closing any damage or destruction of the Property, or any portion of it shall have occurred that results in an Uninsured Loss of Five Hundred Thousand Dollars (\$500,000) or less, then at the Closing Seller must assign to Buyer the right to collect any Insurance Proceeds with respect to such loss and give Buyer a credit against the Purchase Price in the amount of such Uninsured Loss. If such damage or destruction results in an Uninsured Loss of more than Five Hundred Thousand Dollars (\$500,000), then within five (5) days after determination of the amount of the Insurance Proceeds Seller shall elect either (a) to give Buyer a credit for the entire amount of such Uninsured Loss and assign to Buyer the right to collect any Insurance Proceeds with respect to such loss or (b) to terminate this Agreement. Despite any such damage or destruction, the Purchase Price for the Property shall not be reduced except by the credits referred to above. Uninsured Loss shall mean the difference between (i) the sum of the actual cost necessary for the Seller to fully repair such damage and destruction, as determined by a qualified insurance adjuster selected by the insurance carrier providing insurance for the Property, and (ii) the total amount of Insurance Proceeds, which shall mean the proceeds from any and all insurance with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance. Uninsured Losses may arise because of self-insurance, deductible amounts under policies, proceeds of policies insufficient to cover the loss, risks not insured for, or otherwise. If any damage to or destruction of the Property occurs, the Closing Date shall be extended until the amount of the Insurance Proceeds is determined and Seller has made any election permitted hereunder.

## 10. REMEDIES FOR DEFAULT

10.01 **Buyer's Default.** Buyer shall be deemed to be in default under this Agreement if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a condition precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Buyer) by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that no such default shall be deemed to have occurred unless and until Seller has given Buyer written notice of this Agreement, describing the nature of the default, and Buyer has failed to cure such default within five (5) days after the receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

10.02 **Remedies for Buyer's Default.** IF THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT UNDER THE TERMS OF THIS AGREEMENT, BUYER SHALL BE RESPONSIBLE FOR ALL CANCELLATION CHARGES REQUIRED TO BE PAID TO ESCROW HOLDER AND ANY ESCROW CHARGES. IN ADDITION, THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL TERMINATE AND THE DEPOSITS SHALL BE IMMEDIATELY DELIVERED BY ESCROW HOLDER TO SELLER ON SELLER'S REQUEST. THE DEPOSITS SHALL BE DEEMED LIQUIDATED DAMAGES FOR BUYER'S NONPERFORMANCE AS SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER (INCLUDING, WITHOUT LIMITATION, SELLER'S RIGHTS TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT AND TO RECEIVE DAMAGES) FOR BUYER'S FAILURE TO PURCHASE THE PROPERTY, WHICH SUMS SHALL BE PRESUMED TO BE A REASONABLE ESTIMATE OF THE AMOUNT OF ACTUAL DAMAGES SUSTAINED BY SELLER BECAUSE OF BUYER'S BREACH OF

ITS OBLIGATION TO PURCHASE THE PROPERTY. FROM THE NATURE OF THIS TRANSACTION, IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER WOULD SUSTAIN IF BUYER BREACHES SUCH OBLIGATION. THE IMPRACTICABILITY AND DIFFICULTY OF FIXING ACTUAL DAMAGES IS CAUSED BY, WITHOUT LIMITATION, THE FACT THAT THE PROPERTY IS UNIQUE. GIVEN THE FOREGOING FACTS, AMONG OTHERS, BUYER AND SELLER AGREE THAT LIQUIDATED DAMAGES ARE PARTICULARLY APPROPRIATE FOR THIS TRANSACTION AND AGREE THAT SAID LIQUIDATED DAMAGES SHALL BE PAID IN THE EVENT OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY, DESPITE ANY WORDS OR CHARACTERIZATIONS PREVIOUSLY USED OR CONTAINED IN THIS AGREEMENT IMPLYING ANY CONTRARY INTENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. NOTHING IN THIS AGREEMENT SHALL, HOWEVER, BE DEEMED TO LIMIT BUYER'S LIABILITY TO SELLER FOR DAMAGES OR INJUNCTIVE RELIEF FOR BREACH OF BUYER'S INDEMNITY OBLIGATIONS HEREUNDER, OR FOR ATTORNEY FEES AND COSTS AS PROVIDED IN PARAGRAPH

WE ACKNOWLEDGE THIS LIQUIDATED DAMAGES PROVISION:

SELLER'S INITIALS: \_\_\_\_\_

BUYER'S INITIALS: \_\_\_\_\_

10.03 Seller's Default. Seller shall be deemed to be in default under this Agreement if Seller fails, for any reason other than Buyer's default under this Agreement or the failure of a condition precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Seller) because of Seller's actual fraud or intentional misrepresentation; provided, however, that no such default shall be deemed to have occurred unless and until Buyer has given Seller written notice of the default, describing its nature, and Seller has failed to cure such default within five (5) days after receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

10.04 Remedies for Seller's Default. If Seller defaults in its obligations under this Agreement to sell the Property to Buyer on the Closing Date through no fault of Buyer, then Buyer at its option may have the right to specific performance of this Agreement or the right to recover the Deposit. If, after the Closing Date, Buyer determines that Seller has breached any representation or warranty set forth in Paragraph 5.01, then Buyer shall have the right to bring an action for general and specific damages to Buyer.

## 11. GENERAL PROVISIONS

11.01 Notices. Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally, by generally recognized overnight courier service, by facsimile (provided that sender retains a printed

confirmation of delivery to the facsimile number provided below), or three (3) days after deposit in the United States mail certified or registered, return receipt requested, with postage prepaid, addressed as follows:

If to Seller:

Rick Rizzolo  
720 S. 7<sup>th</sup> Street  
Las Vegas, NV 89101  
Fax No. 702-386-2737

With a Copy to:

Dean R. Patti, Esq.  
Patti & Sgro, Ltd.  
720 S. 7<sup>th</sup> Street  
Las Vegas, NV 89101  
Fax No. 702-386-2737

If to Buyer:

Michael Signorelli 5090 Breakers Lane, Las Vegas, NV 89112

With a Copy to:

Stephen M. Caruso, Esq., Caruso Law Offices,  
302 Carson Ave, Ste 802, Las Vegas, NV  
89101

If to Escrow Holder

Nevada Title Company  
2500 N. Buffalo Ave  
Suite 150  
Las Vegas, NV 89128  
Fax No. 251-5252

11.02 Either party may change its address by written notice to the other given in the manner set forth above.

11.03 Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the complete, exclusive and final statement of the terms of the agreement with respect to the sole property between buyer and seller and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement shall be construed as a whole in accordance with its fair meaning. Neither party has been induced to enter into this Agreement by, nor is either party relying on, any representation or warranty outside those expressly set forth in this Agreement.

11.04 Amendments and Waivers. No addition to or modification of this Agreement shall be effective unless it is made in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may

waive the same, but such waiver shall not be enforceable by another party unless it is made in writing and signed by the waiving party.

11.05 Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance is adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, this fact shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

11.06 No Merger. This Agreement, each provision of it, and all warranties and representations in this Agreement shall survive the Closing and shall not merge in any instrument conveying title to Buyer. All representations, warranties, agreements, and obligations of the parties shall, despite any investigation made by any party to this Agreement, survive Closing, and the same shall inure to the benefit of and be binding on the parties' respective successors and assigns.

11.07 References. Unless otherwise indicated, (a) all article and Paragraph references are to the articles and Paragraphs of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever, under the terms of this Agreement, the time for performance of a covenant or condition falls on a Saturday, Sunday, or court holiday in Clark County, Nevada, such time for performance shall be extended to the next business day. "Business Day" means any day other than Saturday, Sunday, and court holidays in Clark County, NV. The headings used in this Agreement are provided for convenience only and this Agreement shall be interpreted without reference to any headings. The date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.

11.08 Governing Law. This Agreement shall be governed by the laws of the State of Nevada applicable to contracts made by residents of the State of Nevada and to be performed in Nevada.

11.09 Confidentiality and Publicity. Before the Closing, the parties shall at all times keep this transaction and any documents received from each other confidential, except to the extent necessary to (a) comply with applicable law and regulations or (b) carry out the obligations set forth in this Agreement. Any such disclosure to third parties shall indicate that the information is confidential and should be so treated by the third party. Before the Closing, no press release or other public disclosure may be made by either party or any of its agents concerning this transaction without the other party's prior written consent.

11.10 Time. Time is of the essence in the performance of the parties' respective obligations under this Agreement.

11.11 Attorney Fees. In the event of any action or proceeding to enforce a term or condition of this Agreement, any alleged disputes, breaches, defaults, or misrepresentations in connection with any provision of this Agreement or any action or proceeding in any way arising from this Agreement, including any interpleaded of the Deposit by the Escrow Holder, the prevailing party in such action, or the nondismissing party when the dismissal occurs other than

by a settlement, shall be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorney fees and costs of defense paid or incurred in good faith. The "prevailing party," for purposes of this Agreement, shall be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.

11.12 **Assignment.** This Agreement shall inure to the benefit of and be binding on the parties to this Agreement and their respective successors and assigns. Buyer shall have the right to assign all or any portion of its interest in this Agreement, provided that Buyer gives written notice of such assignment to Seller before the Closing Date. Notwithstanding any such assignment, if Buyer or its assignee will deliver a portion of the Purchase Price in the form of a promissory note of a person other than Buyer, Seller may require such promissory note to be personally guaranteed by Buyer under the terms of a Personal Guaranty reasonably requested by Seller.

11.13 **No Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party to this Agreement or give any third person any right of subrogation or action over against any party to this Agreement.

11.14 **Remedies Cumulative.** The remedies set forth in this Agreement are cumulative and not exclusive to any other legal or equitable remedy available to a party.

11.15 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.16 **Tax-Deferred Exchange.** Seller may use the proceeds from the sale of the Property to effect one (or more) tax deferred exchange under Internal Revenue Code §1031. Buyer agrees to accommodate Seller in effecting such tax-deferred exchange. Seller shall have the right, expressly reserved here, to elect such tax-deferred exchange at any time before the Closing Date. Seller and Buyer agree, however, that consummation of the purchase and sale of Property under this Agreement is not conditioned on such exchange. If Seller elects to make a tax-deferred exchange, Buyer agrees to execute such additional escrow instructions, deeds, documents, agreements, or instruments to effect this exchange, provided that Buyer shall incur no additional costs, expenses, or liabilities in this transaction as a result of or in connection with this exchange. Seller agrees to hold Buyer harmless of any liability, damages, or costs, including reasonable attorney fees, which may arise from Buyer's participation in such exchange.

11.17 **Operating Sublease.** The parties acknowledge that the Power Company has entered into and Operating Sublease of the Business and portion of the Real Property used in the Business with \_\_\_\_\_, as sublessee and the Power Company as sublessor. Seller shall not be deemed in default hereunder as a result of the existence of the Operating Sublease, nor shall the Seller be obligated to deliver an Estoppel Certificate with respect thereto. Consummation of the transaction contemplated hereby shall be deemed to be a complete waiver by Buyer of all obligations of Seller under the Operating Sublease.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER

RICRIZ, LLC, a Nevada Limited Liability Company

By: \_\_\_\_\_  
Rick Rizzolo

THE POWER COMPANY, INC. a Nevada Corporation

By: \_\_\_\_\_  
Rick Rizzolo

BUYER

NEVADA RECEIVERSHIP, LLC

By: \_\_\_\_\_  
Michael Signorelli

## TABLE OF EXHIBITS

Exhibit A	Description of Property
Exhibit B	Form of Promissory Note
Exhibit C	Form of Allocation of Purchase Price
Exhibit D	Form of Deed
Exhibit E	Form of Bill of Sale
Exhibit F	Form of Assignment of Leases

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into as of this \_\_\_ day of September, 2006 ("Effective Date"), by and between RicRiz, LLC, a Nevada Limited Liability Company ("RicRiz"), and The Power Company, a Nevada Corporation ("Power Company"). (RicRiz and Power Company are referred to jointly herein as "Seller"), and Arundt Resources or Assignee ("Buyer").

### RECITALS

A. RicRiz is the owner of certain real property located in the City of Las Vegas, County of Clark, State of Nevada, situated at 2440-2497 Industrial Road, Las Vegas, NV, consisting of approximately 2.65 acres, with Assessor's parcel number 162-04-407-001, which is more particularly described in Exhibit "A" ("Land"), and the related buildings, improvements, appurtenances, and certain related personal and intangible property ("Improvements"). (The Land and Improvements are referred to jointly as the "Real Property").

B. Power Company is the owner of a certain business operated under the name Crazy Horse Too, and all tangible and intangible assets, leasehold improvements, furniture, fixtures and equipment located at or used on the Real Property in connection with the operation of the Crazy Horse Too (the business, assets, leasehold improvements, furniture fixtures and equipment, and cash on hand are referred to herein as the "Business"). (The Real Property and the Business are referred to herein as the "Property.")

C. Seller desires to sell and Buyer desires an option to purchase the Property, including the Real Property and the Business, as specifically described below.

#### 1. AGREEMENT OF SALE

1.01 Purchase and Sale. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell the Property and hereby grants to Buyer, the option to purchase the property under the terms and conditions of this Agreement.

1.02 Purchase Price. The full purchase price for the Property is Forty-five Million Dollars (\$45,000,000), (the "Purchase Price") and is payable in accordance with this Article 1. Upon exercise of its option, Buyer shall deposit into Escrow a copy of this Agreement and the Deposit (as herein after defined). The balance of the Purchase Price shall be due and payable at the Closing (as hereinafter defined). The delivery of a copy of this Agreement shall be deemed the Opening of Escrow and Escrow Holder (as hereinafter defined) shall immediately deliver to Buyer and Seller a notice reflecting the date thereof.

1.03 Deposit. Buyer shall, concurrent with exercising its option, make as a deposit with Escrow Holder (as hereinafter defined), against the Purchase Price, in the sum of 300,000 Thousand Dollars (\$300,000), (the "Deposit"). The Deposit shall be in cash, by cashier's check payable to the Escrow Holder, or by electronic transfer of federal funds. The Escrow Holder shall hold the Deposit in an escrow account, with interest accruing on the Deposit, to be added to the Deposit and held as provided herein. At Closing, the Deposit shall be credited against the Purchase Price and shall be paid to Seller together with the balance of the Purchase Price due at

Closing. If this Agreement terminates for any reason except Seller's default or termination by Buyer for failure of the title contingencies or election to terminate due to a Condemnation (as hereinafter defined) pursuant to the provisions of Paragraphs 2.03, 3.03, or 9.01 below, the Escrow Holder shall pay the Deposit and all interest accrued thereon to Seller. If this Agreement terminates as a result of Seller's default hereunder, including its failure to timely perform its obligations hereunder, the Deposit and all interest accrued thereon, shall be paid to Buyer.

1.04 Exercise of Option. Buyer shall exercise its option to purchase the Property by delivering to Seller written notice of Buyer's exercise ("Notice of Exercise"), which notice shall be delivered not later than 90 days. Upon the giving of such notice, Buyer shall be obligated to purchase the Property on the terms and conditions set forth herein.

1.05 Payment of Balance. Buyer agrees to pay, or cause to be paid, the balance of the Purchase Price (i.e. the total Purchase Price less the Deposit) to Seller through the Escrow by depositing cash or a certified cashier's check payable to the Escrow Holder, or by electronic transfer of federal funds, which shall be delivered to the Escrow Holder at Closing. (For purposes of this Agreement, a business day is any day on which the courts in Clark County, Las Vegas are open). Notwithstanding the foregoing, Buyer may pay up to Five Million Dollars (\$5,000,000) of the purchase price by delivering to Seller, through Escrow, at Closing, Buyer's promissory note in the form of Exhibit B attached hereto.

1.06 Allocation of Purchase Price. The Purchase Price shall be allocated among various assets constituting the Property in accordance with an Exhibit "C" (Allocation of Purchase Price) to be negotiated by the parties in good faith, which exhibit shall be prepared in the manner required by §1060 of the Internal Revenue Code of 1986 (Code), as amended, and attached to this Agreement at least five (5) days before the Closing. Seller and Buyer agree to prepare and file all federal, state, local, and foreign tax returns and other filings reflecting this transaction on a basis consistent with such allocation, and to cooperate with each other in good faith in preparing any and all statements required to be included in their respective tax returns, including Internal Revenue Service (IRS) Form 8594 and any required exhibits to the tax returns (or other forms required under §1060 of the Code, or other applicable tax laws) reflecting such allocation. Seller and Buyer further agree that they shall not make any inconsistent written statement or take any inconsistent position on any tax returns, in any refund claim, or during the course of any IRS or other tax audit, so long as there exists a reasonable basis in law to maintain the position reflected by such allocation. Each party shall notify the other party if it receives notice that the IRS or any other taxing authority proposes any allocation that is different from the allocation set forth on the Allocation of Purchase Price.

1.07 Agreements. By giving the Notice of Exercise, Buyer acknowledges receipt of copies of certain written agreements, service contracts, and other documents that affect the Property including, without limitation, a rent roll of all leases affecting the Real Property, financial statements regarding the Business, income tax returns for the Business for 2004 and 2005, any agreements relating to insurance, service, operation, repair, supply, advertising, promotion, sale, leasing, or management of the Property or the use of the common facilities which are not terminable at will and which survive the Closing by more than 90 days (referred to herein as the "Disclosure Materials").

## 2. Title Matters

2.01 Preliminary Report. Within three (3) days after the Opening of Escrow, Escrow Holder shall deliver to Buyer, with a copy to Seller, a preliminary title report (Preliminary Report) dated no earlier than the August 15, 2006, covering the Real Property and issued by Nevada Title Company ("Title Company"), together with a legible copy of all exceptions to title shown in the Preliminary Report.

2.02 Approval of Title. Buyer's obligation to purchase the Property is expressly conditioned on Buyer's approval of the condition of title of the Real Property. Buyer shall be deemed to have approved the condition of title of the Real Property unless Buyer shall give written notice of disapproval of any matter shown on the Preliminary Report, which written notice must be given within three (3) days after the receipt of the Preliminary Report ("Disapproval Notice"). The Disapproval Notice shall specify the matters which Buyer disapproves. Notwithstanding the foregoing, Buyer shall be deemed to have approved and shall not disapprove the preprinted exceptions on the Preliminary Report, all real property taxes and assessments not yet delinquent (which shall be subject to proration as herein below provided), and all other monetary liens (which are deemed disapproved and which shall be paid in full at or prior to the Closing). All matters not disapproved are referred to herein as the "Permitted Exceptions." All matters to which Buyer shall timely disapprove are referred to herein as "Title Objections."

2.03 Title Objections. If Buyer shall timely disapprove of any title matter in a Disapproval Notice, Seller shall, within five (5) days after delivery of the Disapproval Notice, specify in writing to Buyer (the "Cure Notice") which, if any, Title Objections Seller will remove or cure prior to the Closing. In the event that that the Cure Notice does not provide for cure or removal of all Title Objections, Buyer may, by written notice to Seller within three (3) days after the Cure Notice ("Termination Notice"), terminate this Agreement. If Seller has not agreed to remove or cure all Title Objections and Buyer has not timely given a Termination Notice, Seller shall be deemed to have approved all title matters, except those title matters which are contained in the Disapproval Notice and which Seller has agreed to remove or cure, and such approved title matters shall be included in the Permitted Exceptions.

## 3. Due Diligence

3.01 Due Diligence. Buyer has reviewed the Disclosure Materials to Buyer's satisfaction and has conducted such inspections of the Real Property and the Business as he deems necessary and appropriate and, subject only to the conditions referred to in Paragraph 3.03, below, and is satisfied with and approves the Property, the condition of the Real Property and all other matters concerning the Property, and all economic, financial, and accounting matters relating to or affecting the Business or its value, and the physical and environmental condition of the Real Property.

3.02 Assumption of Risk. Subject to the right to approve title and further subject to the conditions referred to in Paragraph 3.03, below, Buyer hereby accepts the Property in its present condition. Buyer agrees that Seller has provided to Buyer all information regarding the Property requested by Seller and that Buyer waives any and all rights which might otherwise arise from

further investigation of the Property. Buyer assumes any and all risk that an adverse condition of or relating to the Property may not have been revealed by Buyer's inspections and investigations. Buyer, upon Buyer's failure to give a timely Disapproval Notice or upon Buyer's failure to give a timely Notice of Termination, shall be deemed to have accepted the Property in its as is condition as relates to the physical condition, any defects therein, the fitness of the Property for Buyer's purposes and all other matters. Seller shall have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in the Improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by additional due diligence by Buyer or further disclosure by Seller.

3.03 Termination for Failure of a Contingency. If this Agreement is terminated or deemed to be terminated for failure of the title contingency as described in Paragraph 2.03, or as provided in Paragraph 9.01, then immediately on written notice from Buyer, Escrow Holder shall refund the Deposit, together with interest thereon, to Buyer, without offset for any charges or claims, except for cancellation fees or other costs of the Escrow Holder or the Title Company resulting from this termination for failure of a contingency, which fees and costs shall be borne equally by Seller and Buyer, and each party shall pay its own expenses

#### 4. SELLER'S PRE-CLOSING COVENANTS

4.01 No Amendment or Agreements. On or after the Effective Date, Seller shall not (a) amend or waive any right under any contract or agreement which is part of the Disclosure Materials and which amendment or waiver is reasonably likely to have a substantial effect on the obligations of Buyer under such contract or agreement after the Closing or (b) enter into any lease or other agreement of any type affecting the Property that would survive the Closing, without Buyer's prior written consent, which consent shall not be unreasonably delayed or withheld.

4.02 Insurance. Through the Closing, Seller shall maintain or cause to be maintained in full force and effect comprehensive general liability casualty and other insurance on the Property in an amount comparable to the insurance maintained on the Property on the Effective Date.

4.03 Maintenance and Operation. Seller, at its sole cost and expense, shall operate the Property in substantially the same manner as it has operated the Property before the Effective Date and shall maintain and keep the Property such that on the Closing Date the Property is in at least as good condition and repair as on the Effective Date, reasonable wear and tear excepted. Seller may not make any substantial alterations to the Property without Buyer's prior written consent, which consent shall not be unreasonably delayed or withheld.

4.04 Existing financing. Seller shall not permit any default, or any event that could give rise to a default with lapse of time or notice, to occur under any existing loan secured by the Property or other financing encumbering the Property.

4.05 Licenses and Permits. Seller shall use due diligence and its best efforts to keep in full force and effect, and shall renew, when necessary, all licenses and permits for the Property.

4.06 Access to Property. Buyer and Buyer's representatives, agents, and designees shall have the right at all reasonable times until Closing to enter the Property.

4.07 Notification. Seller shall promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that makes any representation or warranty of Seller under this Agreement untrue or misleading.

4.08 Estoppel Certificates. Seller agrees to use reasonable efforts to obtain estoppel certificates from each tenant of the Real Property.

## 5. REPRESENTATIONS AND WARRANTIES

5.01 Seller's Representations and Warranties. Seller hereby represents and warrants that each of the following is true, to the best of Seller's knowledge, as of the Effective Date and the Closing Date:

(a) Condition of the Property. The Real Property is free of any physical or mechanical defects which materially affect the usability of the Improvements and all building systems in the Improvements (including without limitation heating, ventilating, air-conditioning, elevator, and other mechanical, electrical, sprinkler, life safety, and plumbing systems) are in good order and repair.

(b) Compliance With Laws. Neither the Property nor its operation violates in any way any applicable laws, ordinances, rules, regulations, judgments, orders, or covenants, conditions and restrictions, whether federal, state, local, foreign or private, including without limitation the Americans with Disabilities Act and all life safety requirements. The Improvements are not in violation of any applicable building or zoning codes, building moratorium or environmental protection codes, laws, regulations, or ordinances. The zoning of the Property permits the current Improvements and use of the Real Property, there is no pending or contemplated rezoning.

(c) Documents. All Disclosure material delivered to Buyer under Paragraph 1.07, and all other documents delivered to Buyer by or on behalf of Seller, are true, correct, and complete copies of what they purport to be.

(d) Leases. The Rent Roll referred to in Paragraph 1.07 is true, correct, and complete as of the date thereof. Seller has delivered to Buyer true, accurate, and complete copies of all Leases affecting the Real Property, and there are no leases, subleases, occupancies, or tenancies in effect pertaining to the Property except as stated in the Rent Roll. The Leases are in full force and effect; no party to the Leases is in default under the Leases; and the Leases are subject to no defenses, setoffs, or counterclaims for the benefit of the tenants under the Leases; and no rent has been prepaid nor concessions given to the tenants under the Leases except as disclosed in the Leases. Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding. Seller is in full compliance with all of the landlord's obligations under the Leases. The foregoing is modified as it relates to the Barrier tenancy, in that there are

ongoing disputes with such tenant and Buyer has had the opportunity to review that matter and no representation is made hereunder with respect thereto.

(e) Operating Statements. All operating statements furnished to Buyer in connection with or under this Agreement (a) are true and correct in all material respects, (b) have been prepared in conformity with generally accepted accounting principles consistently applied and (c) fairly present the financial position of the Property.

(f) Litigation. Other than as relates to the Barrier tenancy, ongoing matters before the City Council of the City of Las Vegas relating to The Power Company's liquor license and the pending criminal action against Seller and its principal owner, there is no pending or threatened private or governmental litigation by any governmental authority or person against Seller relating to the Property that might, if it and all other pending and threatened litigation were adversely determined, result in a material adverse change in the Property or its operation or that challenges the validity of or otherwise materially adversely affects the transactions contemplated by this Agreement.

(g) Other Proceedings. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or threatened against Seller or Seller's interest in the Property, nor are any such proceedings contemplated by Seller.

(h) Utilities. All water, sewer, gas, electric, telephone, drainage facilities, and all other utilities required by law or by the normal operation of the Property are adequate to service the Property in its present use and to permit full compliance with all requirements of law and normal usage by the tenants of the Property.

(i) Licenses. Except as relates to the liquor license of The Power Company, Seller has all licenses, permits, easements, and rights-of-way, including building permits, and occupancy permits that are required from any governmental authority having jurisdiction over the Property, or from private parties, in order to continue the present use of the Property and to insure adequate vehicular and pedestrian ingress and egress to the Property. Such licenses, permits, easements, and rights-of-way shall be in full force and effect on the Closing Date.

(j) Due Authorization. This Agreement and the performance of Seller's obligations under it and all documents executed by Seller that are to be delivered to Buyer at the Closing are, or on the Closing Date shall be, duly authorized, executed, and delivered by Seller and are, or at the Closing Date shall be, legal, valid, and binding obligations of Seller, and do not, and at Closing shall not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject

5.02 Personal Property. Seller has no knowledge that anyone will, at the Closing, have any right to possession of any Personal Property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise on writing to Buyer.

5.03 **Buyer's Representations and Warranties.** Notwithstanding anything to the contrary in this Agreement, Buyer hereby warrants and represents that, as of the Effective Date, this Agreement and the performance of Buyer's obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing are, or on the Closing Date shall be, duly authorized, executed, and delivered by Buyer and are, or at the Closing Date shall be, legal, valid, and binding obligations of Buyer, and do not, and on the Closing Date shall not, violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Buyer to enter into or to perform Buyer's obligations under this Agreement, except as has already been obtained.

5.04 **Effect of Representations and Warranties.** Each representation and warranty in this Article 5 is material and being relied on by the party to which the representation and warranty is made; and to the best knowledge of the maker is true in all respects as of the Effective Date.

5.05 **Survival of Seller's Representations and Warranties and Limitation on Liability.** The parties agree that (a) Seller's warranties and representations in this Agreement and in any document (including any estoppel or other certificate) executed by Seller under this Agreement with respect to the Property shall survive for six (6) months after the Closing Date, and (b) if Buyer fails to provide written notice to Seller of any breach of such warranties or representations within six (6) months after the Closing Date, Buyer shall be deemed to have waived all claims for breach of any representations and warranties with respect to the Property.

5.06 **"As Is" Purchase.** Subject to approval of title as provided in Article 2, the appraisal contingency in Article 3, Seller's pre-closing obligations under Article 4, the closing conditions in Article 6, and as a material inducement to Seller's execution and delivery of this Agreement and performance of its duties under this Agreement, BUYER HAS AGREED TO ACCEPT POSSESSION OF THE PROPERTY ON THE CLOSING DATE ON AN "AS IS" BASIS. SELLER AND BUYER AGREE THAT THE PROPERTY SHALL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND, EXCEPT AS SET FORTH IN PARAGRAPH 5.01 OF THIS AGREEMENT, SUCH SALE SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.

5.07 **Release.** Except as provided in Paragraph 5.05, effective from and after the Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that now has or that may arise in the future because of or in any way growing out of or connected with this Agreement and the Property (including without limitation the Condition of the Property), except matters arising from Seller's fraud or intentional misrepresentation. BUYER EXPRESSLY WAIVES ITS RIGHTS GRANTED UNDER ANY PROVISION OF LAW THAT PROVIDES A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT

BUYER DOES NOT KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MUST HAVE MATERIALLY AFFECTED ITS AGREEMENT TO RELEASE SELLER.

## 6. CLOSING CONDITIONS

6.01 Buyer's Closing Conditions. All obligations of Buyer under this Agreement are subject to the fulfillment, before or at the Closing, of each of the following conditions ("Buyer's Closing Conditions"). Buyer's Closing Conditions are solely for Buyer's benefit and any or all of the Buyer's Closing Conditions may be waived in writing by Buyer in whole or in part without prior notice.

6.02 Title. It is a Buyer's Closing Condition that, at the Closing, Seller convey to Buyer title to the Real Property by execution and delivery of a Grant Bargain & Sale Deed in the form attached to this Agreement as Exhibit "D" (the "Deed") and cause to be delivered to Buyer from the Title Company a CLTA Policy of Title Insurance with liability in the full amount of the portion of the Purchase Price allocated to the Real Property, insuring title to the Real Property in Buyer, subject only to the Permitted Exceptions. Seller must deliver to the Title Company such instruments, documents, releases, and agreements and must perform such other acts as Title Company may reasonably require in order to issue the Title Policy.

6.03 Seller's Representations, Warranties, and Covenants. The Representations and Warranties of Seller in this Agreement must be true in all material respects on and as of the Closing with the same effect as if such Representations and Warranties had been made on and as of the Closing Date. Seller must have performed and complied with all Covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

6.04 Tenant Estoppel Certificates. Seller shall have used reasonable efforts to deliver to Buyer an Estoppel Certificate from each tenant of the Real Property in the form attached to this Agreement as Exhibit "E" (Tenant Estoppel Certificates), dated no earlier than the Effective Date. Tenant Estoppel Certificates delivered to Buyer must contain no material discrepancies from the Rent Roll, and must (a) confirm the terms of such tenant's lease and the current rent payable under it, (b) verify to the best knowledge of such tenant that Seller is not in default or subject to any claims or defenses of such tenant, (c) affirm that all construction obligations of landlord under such tenant's lease have been met to such tenant's satisfaction, (d) specify the amount of any deposits or prepaid rent held by Seller and (e) constitute an attornment by such tenant to Buyer and a consent to the assignment of the lease to Buyer. Buyer expressly acknowledges that there may be no Estoppel Certificate regarding the Barrier tenancy.

6.05 Closing Documents. Seller shall have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.

6.06 Physical Condition. The physical condition of the Property must be substantially the same on the Closing Date as on the Effective Date, reasonable wear and tear excepted.

6.07 Adverse Actions. There shall exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings, pending or threatened, against Seller or regarding the Property, other than those disclosed herein that would materially and adversely affect the Seller's ability to perform its obligations under this Agreement or Buyer's title to the Property and there shall exist no pending or threatened action, suit, or proceeding regarding the Seller before or by any court or administrative agency that seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transactions contemplated by this Agreement.

6.08 Hazardous Material. No Hazardous Materials shall have been discovered on the Property after the Contingency Date that were not previously disclosed to Buyer or discovered by Buyer before the Contingency Date.

6.09 No Material Changes. No event shall have occurred nor shall any condition have arisen after the Contingency Date that as of the Closing Date materially and adversely affects all or any part of the Property or its current or prospective operation, use, value, income, expenses, or occupancy. It shall be deemed a material adverse change if Seller shall have ceased the sale of alcoholic beverages for a period in excess of 24 hours.

## 7. SELLER'S CLOSING CONDITIONS

7.01 Seller's Closing Conditions. Seller's obligation to sell the Property is expressly conditioned on the fulfillment of each condition precedent at or before the Closing ("Seller's Closing Conditions"). Seller's Closing Conditions are solely for Seller's benefit and any of Seller's Closing Conditions may be waived in writing by Seller in whole or in part without prior notice.

7.02 No Disapproval of Contingencies. It is a Seller's Closing Condition that Buyer shall not have timely delivered a Termination Notice or Disapproval Notice terminating its obligation to purchase the Property.

7.03 Purchase Price. Buyer must have delivered the Purchase Price to Escrow.

7.04 Buyer's Representations, Warranties, and Covenants. The representations and warranties of Buyer in this Agreement must be true in all material respects on and as of the Closing Date with the same effect as if such representations and warranties had been made on and as of the Closing Date. Buyer must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

7.05 Termination for Failure of a Condition. If Buyer's Closing Conditions or Seller's Closing Conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the party in whose favor the Closing Condition runs by written notice to the other. If this Agreement is so terminated, on such termination, Escrow Holder must return the Deposit to party terminating this Agreement. Any cancellation fee or other costs of the

Escrow Holder and Title Company shall be borne equally by Seller and Buyer and each party shall pay its own expenses.

## 8. CLOSING

8.01 Escrow. The Escrow shall be opened with Nevada Title Company, Attention: Terry Wright (the "Escrow Holder") on the execution of this Agreement. Buyer and Seller shall promptly on the Escrow Holder's request execute such additional escrow instructions as are reasonably required to consummate the transaction contemplated by this Agreement and are not inconsistent with this Agreement.

8.02 Closing. The "Closing" means the exchange of money and documents as described in this Article 8, and shall be deemed to have occurred when Seller's Deed to Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining documents described in this Article 8, the Title Company is irrevocably and unconditionally committed to issue the Title Policy, and Buyer has delivered the Purchase Price in immediately available funds to Escrow Holder.

8.03 Closing Date. Seller and Buyer agree that the Closing shall occur on the "Closing Date." The Closing Date shall be a date mutually agreeable to Buyer and Seller that is no later than 15 days after the Notice of Exercise, unless Seller shall agree to an extension thereof. The Closing shall be at the offices of Escrow Holder or such other place as the parties may agree.

8.04 Seller's Deposit of Documents and Funds. Seller shall deposit into Escrow the following documents duly executed by Seller in form and substance reasonably satisfactory to Buyer:

- (a) Deed. The duly executed and acknowledged Deed conveying the Real Property to Buyer subject only to the Permitted Exceptions;
- (b) Bill of Sale. A duly executed Bill of Sale, in the form attached to this Agreement as Exhibit "E", conveying the Business to Buyer free and clear of liens, encumbrances, and restrictions of every kind and description (the "Bill of Sale");
- (c) Lease Assignment. A duly executed assignment of Leases, in the form attached to this Agreement Exhibit "F", assigning to Buyer Seller's interest as lessor in all the Leases (the "Lease Assignment"); and
- (d) Additional Documents. Such additional documents, including written Escrow instructions consistent with this Agreement, as may be necessary or desirable to convey the Property in accordance with this Agreement.

8.05 Buyer's Deposit of Documents and Funds. Buyer must deposit into Escrow the following funds and documents duly executed by Buyer:

- (a) Purchase Price. The Purchase Price in accordance Paragraph 1.02 adjusted for prorations and closing costs as set forth herein;

- (b) Lease Assignment. A duly executed Lease Assignment, by which Buyer assumes Seller's interest as lessor in all the Leases);
- (c) Additional Documents. Such documents, including written Escrow Instructions consistent with this Agreement, as may be necessary or desirable for conveyance of the Property in accordance with this Agreement.

8.06 Closing. When the Escrow Holder receives all documents and funds identified in Paragraphs 8.04 and 8.05, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder shall close Escrow by:

- (a) Recording the Deed;
- (b) Recording any documents required to be recorded by Seller's lender with respect to any financing;
- (c) Issuing the Title Policy to Buyer;
- (d) Delivering to Buyer the Assignment, the Bill of Sale, original Leases, the Tenant Estoppel Certificates, the Lease Assignment, copies of all recorded documents related to the transfer or encumbering of the Property, and a copy of Seller's Escrow instructions; and
- (e) Paying the Purchase Price to Seller, plus or minus prorations as provided for herein.
- (f) Thereafter, Escrow Holder shall deliver signed closing statements showing all receipts and disbursements to Buyer and Seller.

8.07 Deliveries Outside Escrow. Seller agrees to deliver the original Leases which it has in its possession to Buyer outside Escrow within three (3) business days after Closing.

8.08 Prorations. All receipts and disbursements of the Property shall be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price shall be adjusted on the following basis:

- (a) Property Rents.
  - (i) Collected Rents. All rents collected by Seller under the Leases in effect on the Closing Date, including rents on account of operating cost pass-throughs, percentage rents, and other charges paid by tenants (Collected Rents) shall be prorated as of the Closing by charging Seller and crediting Buyer for any Collected Rents applicable to periods after the Closing.
  - (ii) Delinquent Rents. All unpaid rents that are due and owed to Seller under the Leases in effect on the Closing Date, including rents on account of operating

cost pass-throughs, percentage rents, and other charges paid by tenants (Delinquent Rents) shall not be prorated and shall remain the property of Seller. Buyer shall deliver any Delinquent Rents received by Buyer to Seller, less the actual costs of collection, on the condition that Buyer shall apply all rent received from tenants under the Leases first to any obligations arising under the Leases after the Closing and Buyer shall then apply the balance, if any, to the Delinquent Rents. Seller shall have the right to collect Delinquent Rents, at Seller's sole cost and expense, on the condition that Seller shall have no right to cause the eviction of, and Buyer shall have no obligation to evict, any tenants owing Delinquent Rents.

(b) Security Deposits. At Closing, Buyer shall be credited and Seller shall be charged with the amount of all security deposits received under the Leases in effect as of the Closing.

(c) Property Taxes. All real and personal property ad valorem taxes and special assessments, if any, whether payable in installments or not, including without limitation all supplemental taxes attributable to the period before the Closing Date for the calendar year in which the Closing occurs shall be prorated to the Closing Date, based on the latest available tax rate and assessed valuation.

(d) Utility Charges. Charges for utilities, including water, sewer, electric, and gas, shall be prorated within as of the Closing Date based on the then most recent bills for such services. Seller shall pay for all utility services to the Property for all periods before the Closing and Buyer shall pay for all utility services to the Property for the Closing Date and all periods thereafter.

(e) Cash and Inventory. For purposes of computing prorations, Escrow Holder shall include a credit to Seller in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for cash on hand and Two Hundred Thousand Dollars (\$200,000) for inventory as of the Closing.

8.09 Closing Costs. Closing costs shall be allocated as follows:

- (i) Seller shall pay all costs associated with removing any debt encumbering the Property;
- (ii) Escrow costs shall be shared equally by Seller and Buyer;
- (iii) Seller shall pay the cost of the Title Policy;
- (iv) Buyer shall pay the cost of recording the Deed;
- (v) Buyer shall pay any applicable sales tax;
- (vi) The documentary transfer tax shall be paid by Buyer; and

- (vii) Seller shall pay up to 6% of the Purchase in Buyers loan fees in connection with Buyers financing but to the extent the amount thereof shall exceed Two Million Four Hundred Thousand Dollars (\$2,400,000) Buyer shall pay the excess.

8.10 Broker's Commission; Indemnity. If any broker or finder perfects a claim for a commission or finder's fee based on any contract, dealings, or communication with a party (an "Indemnifying Party"), then the Indemnifying Party shall indemnify, defend, and hold the other party (the "Non-indemnifying Party") harmless from all costs and expenses (including reasonable attorney fees and costs of defense) incurred by the Non-indemnifying Party in connection with such claim. For purposes of the foregoing, it is agreed that any claim perfected by Prudential Americana Group Realtors or Rosie Daley shall be deemed to be a claim for which Buyer is the Indemnifying party.

8.11 Possession. Seller shall deliver exclusive right of Possession of the Property to Buyer on the Closing Date, subject only to the interest of tenants under the Leases.

8.12 Licenses. Buyer acknowledges that the licenses used by Seller in the operation of the Business are not transferable and that Buyer will have to separately apply for and obtain all necessary licenses in connection with its operation of the Business from and after the Closing. Buyer agrees to immediately apply for all such licenses upon execution hereof and to diligently pursue such applications with a view to obtaining all such licenses, or temporary licenses where the same may reasonably be obtained in a shorter period of time. Buyer shall give Seller notice of each license that Buyer applies for and shall provide additional notices to Seller updating Buyers progress with respect to each license.

## 9. RISK OF LOSS

9.01 Condemnation. If, before the Closing Date, Seller receives notice of that any formal action or proceeding has commenced for the condemnation or exercise of the rights of eminent domain of the Property or any portion of it, or if Seller receives notice from the duly authorized officer of a duly empowered condemning authority (either of such notices is referred to herein as a "Condemnation Notice") of the intent to commence such action or proceeding (a "Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the Improvements, or reduce or eliminate access to the Property, then Buyer may either (a) terminate this Agreement or (b) proceed with the Closing without modifying the terms of this Agreement and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Buyer shall be entitled to keep, all awards for the Condemnation that accrue to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Buyer's written consent. Seller must give Buyer written notice of any Condemnation Notice regarding all or any portion of the Property within five (5) days after the receipt of such Condemnation Notice, and Buyer must exercise its option(s) as provided in this Paragraph 9.01 ten (10) days after receipt of such Condemnation Notice. If necessary, the Closing Date shall be extended to give Buyer the full ten (10) day period to make such election. If Buyer fails to give written notice of its election hereunder within such ten (10) day period, Buyer shall be deemed to have elected to proceed with Closing. Notwithstanding the foregoing,

9.02 **Damage and Destruction.** If before the Closing any damage or destruction of the Property, or any portion of it shall have occurred that results in an Uninsured Loss of Five Hundred Thousand Dollars (\$500,000) or less, then at the Closing Seller must assign to Buyer the right to collect any Insurance Proceeds with respect to such loss and give Buyer a credit against the Purchase Price in the amount of such Uninsured Loss. If such damage or destruction results in an Uninsured Loss of more than Five Hundred Thousand Dollars (\$500,000), then within five (5) days after determination of the amount of the Insurance Proceeds Seller shall elect either (a) to give Buyer a credit for the entire amount of such Uninsured Loss and assign to Buyer the right to collect any Insurance Proceeds with respect to such loss or (b) to terminate this Agreement. Despite any such damage or destruction, the Purchase Price for the Property shall not be reduced except by the credits referred to above. Uninsured Loss shall mean the difference between (i) the sum of the actual cost necessary for the Seller to fully repair such damage and destruction, as determined by a qualified insurance adjuster selected by the insurance carrier providing insurance for the Property, and (ii) the total amount of Insurance Proceeds, which shall mean the proceeds from any and all insurance with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance. Uninsured Losses may arise because of self-insurance, deductible amounts under policies, proceeds of policies insufficient to cover the loss, risks not insured for, or otherwise. If any damage to or destruction of the Property occurs, the Closing Date shall be extended until the amount of the Insurance Proceeds is determined and Seller has made any election permitted hereunder.

## 10. REMEDIES FOR DEFAULT

10.01 **Buyer's Default.** Buyer shall be deemed to be in default under this Agreement if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a condition precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Buyer) by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that no such default shall be deemed to have occurred unless and until Seller has given Buyer written notice of this Agreement, describing the nature of the default, and Buyer has failed to cure such default within five (5) days after the receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

10.02 **Remedies for Buyer's Default.** IF THE CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S DEFAULT UNDER THE TERMS OF THIS AGREEMENT, BUYER SHALL BE RESPONSIBLE FOR ALL CANCELLATION CHARGES REQUIRED TO BE PAID TO ESCROW HOLDER AND ANY ESCROW CHARGES. IN ADDITION, THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL TERMINATE AND THE DEPOSITS SHALL BE IMMEDIATELY DELIVERED BY ESCROW HOLDER TO SELLER ON SELLER'S REQUEST. THE DEPOSITS SHALL BE DEEMED LIQUIDATED DAMAGES FOR BUYER'S NONPERFORMANCE AS SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER (INCLUDING, WITHOUT LIMITATION, SELLER'S RIGHTS TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT AND TO RECEIVE DAMAGES) FOR BUYER'S FAILURE TO PURCHASE THE PROPERTY, WHICH SUMS SHALL BE PRESUMED TO BE A REASONABLE ESTIMATE OF THE AMOUNT OF ACTUAL DAMAGES SUSTAINED BY SELLER BECAUSE OF BUYER'S BREACH OF

ITS OBLIGATION TO PURCHASE THE PROPERTY. FROM THE NATURE OF THIS TRANSACTION, IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES THAT SELLER WOULD SUSTAIN IF BUYER BREACHES SUCH OBLIGATION. THE IMPRACTICABILITY AND DIFFICULTY OF FIXING ACTUAL DAMAGES IS CAUSED BY, WITHOUT LIMITATION, THE FACT THAT THE PROPERTY IS UNIQUE. GIVEN THE FOREGOING FACTS, AMONG OTHERS, BUYER AND SELLER AGREE THAT LIQUIDATED DAMAGES ARE PARTICULARLY APPROPRIATE FOR THIS TRANSACTION AND AGREE THAT SAID LIQUIDATED DAMAGES SHALL BE PAID IN THE EVENT OF BUYER'S BREACH OF ITS OBLIGATION TO PURCHASE THE PROPERTY, DESPITE ANY WORDS OR CHARACTERIZATIONS PREVIOUSLY USED OR CONTAINED IN THIS AGREEMENT IMPLYING ANY CONTRARY INTENT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. NOTHING IN THIS AGREEMENT SHALL, HOWEVER, BE DEEMED TO LIMIT BUYER'S LIABILITY TO SELLER FOR DAMAGES OR INJUNCTIVE RELIEF FOR BREACH OF BUYER'S INDEMNITY OBLIGATIONS HEREUNDER, OR FOR ATTORNEY FEES AND COSTS AS PROVIDED IN PARAGRAPH

WE ACKNOWLEDGE THIS LIQUIDATED DAMAGES PROVISION:

SELLER'S INITIALS: 

BUYER'S INITIALS: 

10.03 Seller's Default. Seller shall be deemed to be in default under this Agreement if Seller fails, for any reason other than Buyer's default under this Agreement or the failure of a condition precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Seller) because of Seller's actual fraud or intentional misrepresentation; provided, however, that no such default shall be deemed to have occurred unless and until Buyer has given Seller written notice of the default, describing its nature, and Seller has failed to cure such default within five (5) days after receipt of such notice (but in any event before the Closing Date, unless such default occurs after Closing).

10.04 Remedies for Seller's Default. If Seller defaults in its obligations under this Agreement to sell the Property to Buyer on the Closing Date through no fault of Buyer, then Buyer at its option may have the right to specific performance of this Agreement or the right to recover the Deposit. If, after the Closing Date, Buyer determines that Seller has breached any representation or warranty set forth in Paragraph 5.01, then Buyer shall have the right to bring an action for general and specific damages to Buyer.

## 11. GENERAL PROVISIONS

11.01 Notices. Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally, by generally recognized overnight courier service, by facsimile (provided that sender retains a printed

confirmation of delivery to the facsimile number provided below), or three (3) days after deposit in the United States mail certified or registered, return receipt requested, with postage prepaid, addressed as follows:

If to Seller:

Rick Rizzolo  
2476 Industrial Road  
Las Vegas, NV 89102  
Fax No. 702-477-0810

With a Copy to:

Dean R. Patti, Esq.  
Patti & Sgro, Ltd.  
720 S. 7<sup>th</sup> Street  
Las Vegas, NV 89101  
Fax No. 702-386-2737

If to Buyer

If to Escrow Holder

Nevada Title Company  
2500 N. Buffalo Ave  
Suite 150  
Las Vegas, NV 89128  
Fax No. 251-5252

11.02 Either party may change its address by written notice to the other given in the manner set forth above.

11.03 Entire Agreement. This Agreement and all exhibits referred to in this Agreement constitute the complete, exclusive and final statement of the terms of the agreement with respect to the sole property between buyer and seller and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement specifically supersedes any prior written or oral agreements between the parties. The language in all parts of this Agreement shall be construed as a whole in accordance with its fair meaning. Neither party has been induced to enter into this Agreement by, nor is either party relying on, any representation or warranty outside those expressly set forth in this Agreement.

11.04 Amendments and Waivers. No addition to or modification of this Agreement shall be effective unless it is made in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such waiver shall not be enforceable by another party unless it is made in writing and signed by the waiving party.

11.05 **Invalidity of Provision.** If any provision of this Agreement as applied to either party or to any circumstance is adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, this fact shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

11.06 **No Merger.** This Agreement, each provision of it, and all warranties and representations in this Agreement shall survive the Closing and shall not merge in any instrument conveying title to Buyer. All representations, warranties, agreements, and obligations of the parties shall, despite any investigation made by any party to this Agreement, survive Closing, and the same shall inure to the benefit of and be binding on the parties' respective successors and assigns.

11.07 **References.** Unless otherwise indicated, (a) all article and Paragraph references are to the articles and Paragraphs of this Agreement, and (b) except where otherwise stated, all references to days are to calendar days. Whenever, under the terms of this Agreement, the time for performance of a covenant or condition falls on a Saturday, Sunday, or court holiday in Clark County, Nevada, such time for performance shall be extended to the next business day. "Business Day" means any day other than Saturday, Sunday, and court holidays in Clark County, NV. The headings used in this Agreement are provided for convenience only and this Agreement shall be interpreted without reference to any headings. The date of this Agreement is for reference purposes only and is not necessarily the date on which it was entered into.

11.08 **Governing Law.** This Agreement shall be governed by the laws of the State of Nevada applicable to contracts made by residents of the State of Nevada and to be performed in Nevada.

11.09 **Confidentiality and Publicity.** Before the Closing, the parties shall at all times keep this transaction and any documents received from each other confidential, except to the extent necessary to (a) comply with applicable law and regulations or (b) carry out the obligations set forth in this Agreement. Any such disclosure to third parties shall indicate that the information is confidential and should be so treated by the third party. Before the Closing, no press release or other public disclosure may be made by either party or any of its agents concerning this transaction without the other party's prior written consent.

11.10 **Time.** Time is of the essence in the performance of the parties' respective obligations under this Agreement.

11.11 **Attorney Fees.** In the event of any action or proceeding to enforce a term or condition of this Agreement, any alleged disputes, breaches, defaults, or misrepresentations in connection with any provision of this Agreement or any action or proceeding in any way arising from this Agreement, including any interpleaded of the Deposit by the Escrow Holder, the prevailing party in such action, or the nondismissing party when the dismissal occurs other than by a settlement, shall be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorney fees and costs of defense paid or incurred in good faith. The

“prevailing party,” for purposes of this Agreement, shall be deemed to be that party who obtains substantially the result sought, whether by settlement, dismissal, or judgment.

11.12 **Assignment.** This Agreement shall inure to the benefit of and be binding on the parties to this Agreement and their respective successors and assigns. Buyer shall have the right to assign all or any portion of its interest in this Agreement, provided that Buyer gives written notice of such assignment to Seller before the Closing Date. Notwithstanding any such assignment, if Buyer or its assignee will deliver a portion of the Purchase Price in the form of a promissory note of a person other than Buyer, Seller may require such promissory note to be personally guaranteed by Buyer under the terms of a Personal Guaranty reasonably requested by Seller.

11.13 **No Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party to this Agreement or give any third person any right of subrogation or action over against any party to this Agreement.

11.14 **Remedies Cumulative.** The remedies set forth in this Agreement are cumulative and not exclusive to any other legal or equitable remedy available to a party.

11.15 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

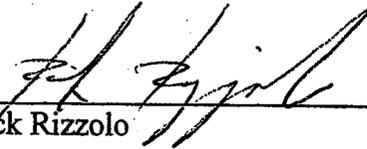
11.16 **Tax-Deferred Exchange.** Seller may use the proceeds from the sale of the Property to effect one (or more) tax deferred exchange under Internal Revenue Code §1031. Buyer agrees to accommodate Seller in effecting such tax-deferred exchange. Seller shall have the right, expressly reserved here, to elect such tax-deferred exchange at any time before the Closing Date. Seller and Buyer agree, however, that consummation of the purchase and sale of Property under this Agreement is not conditioned on such exchange. If Seller elects to make a tax-deferred exchange, Buyer agrees to execute such additional escrow instructions, deeds, documents, agreements, or instruments to effect this exchange, provided that Buyer shall incur no additional costs, expenses, or liabilities in this transaction as a result of or in connection with this exchange. Seller agrees to hold Buyer harmless of any liability, damages, or costs, including reasonable attorney fees, which may arise from Buyer’s participation in such exchange.

11.17 **Operating Sublease.** The parties acknowledge that the Power Company has entered into and Operating Sublease of the Business and portion of the Real Property used in the Business with Nevada Realty LLC as sublessee and the Power Company as sublessor. Seller shall not be deemed in default hereunder as a result of the existence of the Operating Sublease, nor shall the Seller be obligated to deliver an Estoppel Certificate with respect thereto. Consummation of the transaction contemplated hereby shall be deemed to be a complete waiver by Buyer of all obligations of Seller under the Operating Sublease.

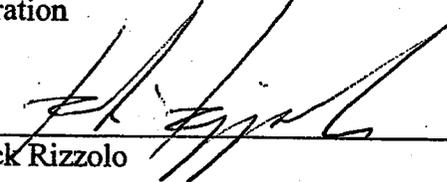
IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER

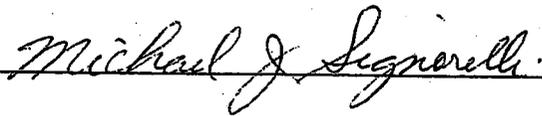
RICRIZ, LLC, a Nevada Limited Liability Company

By:   
Rick Rizzolo

THE POWER COMPANY, INC. a Nevada Corporation

By:   
Rick Rizzolo

BUYER



## TABLE OF EXHIBITS

Exhibit A	Description of Property
Exhibit B	Form of Promissory Note
Exhibit C	Form of Allocation of Purchase Price
Exhibit D	Form of Deed
Exhibit E	Form of Bill of Sale
Exhibit F	Form of Assignment of Leases

# LITTLE CHURCH OF LAS VEGAS

Established - 2006

2325 South Western Avenue

Las Vegas, Nevada 89102

702-496-0037

“Give me that old time religion”

Mr. Bradford Jerbic  
City Attorney  
Las Vegas City Hall  
400 E. Stewart Ave.  
Las Vegas, NV 89101

Re: PROTEST of ISSUANCE of TEMPORARY LIQUOR LICENSE

September 28, 2006

Dear Sir:

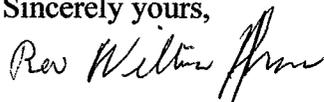
According to Las Vegas Municipal Code 19.94.050: “... no liquor establishment (tavern) may be located within fifteen hundred feet of any... church.”

As the pastor of Little Church of Las Vegas, I hereby tender this protest of the granting of a temporary liquor license for the re-opening of the former Crazy Horse Too topless bar, 2476 Industrial Road.

According to the United States Department of Justice, this establishment was determined to be a “public nuisance,” and “endangerment to the community.” Such an enterprise has no right to operate in a moral society.

Therefore, on behalf of my parishioners, we implore the Las Vegas City Council to uphold LVMC 19.94,050, and prohibit such a dangerous business enterprise from re-opening within fifteen hundred feet of our church.

Sincerely yours,



Reverend William Ahern  
Pastor, Little Church of Las Vegas

cc: Mayor and Council  
Las Vegas news media

Submitted at City Council

Date 10/4/06 Item 46

**LITTLE CHURCH OF LAS VEGAS  
2325 South Western Avenue  
Las Vegas, Nevada 89102**

**City Attorney Brad Jerbic  
400 E. Stewart Ave  
Las Vegas, Nevada 89101**